Supreme Court, U. S.
FILED
MAY 14 1980
MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

NO. 79-1809

HOWARD L. MOON
Petitioner

v.

ROADWAY EXPRESS INC.
Respondent

FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

PETITION FOR CERTIORARI

Beverly B. Bates
BATES, BAUM AND LANDEY
Suite 3500
101 Marietta Tower
Atlanta, Georgia 30303

Attorney for Petitioner

INDEX

	Page
OPINION BELOW	1
JURISDICTION	2
QUESTION PRESENTED	3
STATUTORY PROVISIONS	3
REGULATORY PROVISIONS	8
STATEMENT OF THE CASE	10
ARGUMENT	14
CERTIFICATE OF SERVICE	43
APPENDIX	44

CITATIONS

Cases:

Cannon v. University of Chicago
441 U.S. 677 (1979) 17,27,28, 39

Chaplin v. Consol. Edison
Co. of N.Y., Inc.
482 F. Supp. 1165 (S.D. N.Y.
1980). 22, 37

Cort v. Ash
422 U.S. 66 (1975) 15,16,17,18,24,31,39

Gomez v. Florida State
Employment Service
417 F 2d. 569 (5th Cir. 1969) 35

Cases cont. Page

Lau v. Nichols
414 U.S. 563 23

Lloyd v. Illinois Regional Transp. Authority
548 F. 2d 1277 (7th Cir. 1977) 29

McDaniel v. University of Chicago
548 F.2d 689 (7th Cir. 1977) 23

Rogers v. Frito-Lay, Inc.
433 F. Supp. 200 (N.D. Tex 1977)
611 F 2d 1074 (5th Cir. 1980) 15,19,20 21,26,27 37,38

Sierra Club v. Morton
400 F. Supp. 610 (N.D. Cal. 1975) 35

United Handicapped Federation v. Andre
558 F. 2d 413 (8th Cir. 1977) 29

Vasquez v. Ferre
404 F. Supp. 815 (D.N.J. 1975) 36

STATUTES

28 U.S.C. §1254 2

29 U.S.C. §49 35

§503, Rehabilitation Act of 1973
29 U.S.C. §793 3,12,14,15 17,20,24,25 26,28,30,31 34,38,39

Statutes cont.	Page
29 U.S.C. §706	4,20
Section 504, Rehabilitation Act of 1973 29 U.S.C. §794	5,29,30
29 U.S.C. §794a.	6,39
40 U.S.C. §276a.	23
Title VI, Civil Rights Act of 1964	7
Title IX, Education Amendment of 1972	27

OPINIONS BELOW

The following opinions and orders are appended to the petition.

(1) The February 15, 1980, opinion of the United States Court of Appeals for the Fifth Circuit reported at 611 F. 2d 1074 (5th Cir. 1980);

(2) The October 3, 1977, order of the United States District Court, Northern District of Georgia, Atlanta Division, granting defendant's motion to dismiss reported at 439 F. Supp. 1308 (N.D. Ga. 1977).

JURISDICTION

The judgment of the United States District Court, Northern District of Georgia, Atlanta Division, was entered against the petitioner on October 6, 1977, on Roadway Express, Inc.'s, motion to dismiss. The United States Court of Appeals for the Fifth Circuit affirmed the judgment of the District Court by its opinion and judgment of February 15, 1980. The jurisdiction of this court is invoked under 28 U.S.C. §1254 and Part V of the Rules of this court; and more specifically because the Court of Appeals has rendered an erroneous majority decision on an important question of Federal law which should be reviewed and settled by this court. Moreover, the Court of Appeal opinion departs from the controlling precedent of this Court. Handicapped persons in private employment over the nation as well as private employees,

need guidance to ascertain whether a private remedy is implied under Section 503 of the Rehabilitation Act of 1973.

QUESTION PRESENTED

Whether federal law affords the individual handicapped, such as petitioner, a private remedy to enforce the Rehabilitation Act of 1973 against covered federal contractors?

STATUTORY PROVISIONS

Section 503, Rehabilitation Act of 1973; 29 U.S.C. §793

(a) Any contract in excess of $2,500 entered into by any Federal department or agency for the procurement of personal property and non-personal services (including construction) for the United States shall contain a provision requiring that, in employing persons to carry out such contract the party contracting with the United States shall take affirmative

action to employ and advance in employment qualified handicapped individuals as defined in section 706(6) of this title. The provisions of this section shall apply to any subcontract in excess of $2,500 entered into by a prime contractor in carrying out any contract for the procurement of personal property and nonpersonal services (including construction) for the United States. The President shall implement the provisions of this section by promulgating regulations within ninety (90) days after enactment of this section.

(b) If any handicapped individual believes any contractor has failed or refused to comply with the provisions of his contract with the United States, relating to employment of handicapped individuals, such individuals may file a complaint with the Department of Labor.

The Department shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant, consistent with the terms of such contract and the laws and regulations applicable thereto.

(c) The requirements of this section may be waived, in whole or in part, by the President with respect to a particular contract or subcontract, in accordance with guidelines set forth in regulations which he shall prescribe, when he determines that special circumstances in the national interest require and states in writing his reasons for such determination.

Section 504, Rehabilitation Act of 1974, 29 U.S.C. §794

No otherwise qualified handicapped individual in the United States, as defined in section 7(6) shall, solely

by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

* * *

Attorney fee amendment of 1978, 29 U.S.C. § 794a.

(a)(1) The remedies, procedures, and rights set forth in section 717 of the Civil Rights Act of 1964 (42 US.C. 2000e-16), including the application of sections 706(f) through 706(k) (42 U.S.C. 2000e-5 (f) through (k) shall be available, with respect to any complaint under section 501 of this Act, to any employee or applicant for employment aggrieved by the final disposition of such complaint, or by the failure to take final action on such complaint. In fashioning an equitable or affirmative action remedy under such section, a

court may take into account the reasonableness of the cost of any necessary work place accommodation, and the availability of alternatives therefor or other approriate relief in order to achieve an equitable and appropriate remedy.

(2) The remedies, procedures, and rights set forth in title VI of the Civil Rights Act of 1964 shall be available to any person aggrieved by any act or failure to act by any recipient of Federal assistance or Federal provider of such assistance under section 504 of this Act.

(b) In any action or proceeding to enforce or charge a violation of a provision of this title, this court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs.

REGULATORY PROVISIONS

Part 60-741.26(a), Code of Federal Regulations

§60-741.26 Complaint Procedures.

(g) Resolution of matters. (1) If the complaint investigation shows no violation of the Act or regulations in this Part, or if the agency or the Director decides not to initiate administrative or legal proceedings against the contractor, the complainant shall be so notified. Within 30 days, the complainant may request review by the Director of such a finding or decision.

§60-741.28 Actions for noncompliance.

(a) General. In every case where any complaint investigation indicates the existence of a violation of the affirmative action clause or these regulations, the matter should be resolved by informal means, including conciliation,

and persuasion, whenever possible. This will also include establishing a corrective action program in accordance with §60-741.26(g)(2). Where the apparent violation is not resolved by informal means, the Director or the agency shall proceed in accordance with the enforcement procedures contained in this Part.

(b) Judicial enforcement. In addition to the administrative remedies set forth herein, the Director may, within the limitations of applicable law, seek appropriate judicial action to enforce the contractual provisions set forth in §60-741.4 including appropriate injunctive relief.

(c) Withholding progess payments. Wit. the prior approval of the Director so much of the accrued payment due on the contract or any other contract between the government prime contractor and the federal government may be withheld

as necessary to correct any violations of the provisions of the affirmative action clause.

(d) Termination. A contract or subcontract may be cancelled or terminated, in whole or in part, for failure to comply with the provisions of the affirmative action clause.

(e) Debarment. A prime contractor or subcontractor or a prospective contractor or subcontractor may be debarred from receiving future contracts for failure to comply with the provisions of the affirmative action clause.

STATEMENT OF THE CASE

Howard L. Moon was injured in an automobile accident on August 3, 1974, which resulted in amputation of his left leg. At the time of his injury he was employed by Roadway Express, Inc., as a Terminal Manager. He returned to

his job as Terminal Manager in June, 1975. From then until February 18, 1977, Mr. Moon missed only one day at work and that was to obtain a repair for his artificial limb. He was terminated by T. M. Anderson, Roadway's District Manager on February 18, 1977. Soon after the termination, Mr. Moon informally sought reinstatement from executive officers of Roadway but was denied. On April 5, 1977, petitioner Moon filed an administrative complaint against Roadway Express, Inc. and Hemingway Transports, Inc., the latter trucking company having allegedly communicated with an affiliate of Roadway Express, Inc., and declined employment on the basis of information received from a Roadway official. The April 5, 1977, complaint was filed with the Office of Federal Contract Compliance Programs, Employment Standards Administration, Department of Labor. Upon investigation

by the Department of Labor, an attorney for Roadway advised the representative of the Department of Labor that Roadway had no government contracts and was not subject to the Rehabilitation Act of 1973 (Exhibit A to District Court Complaint). According to Roadway's annual report of 1976, it is one of the largest common carriers of freight in the United States, with terminals in 328 cities and with 17,200 employees at year end 1976 (p.5). The Department of Labor determined that Roadway met the definition of a contractor and that Moon was a handicapped person under §503 of the Rehabilitation Act of 1973. The Department of Labor's finding on May 15, 1978, was as follows:

> Investigation by this Department indicated that the contractor terminated the complainant from employment because of his handicapping condition although the complainant continually demonstrated that he could perform the duties of Terminal Manager.

> The contractor has refused to reasonably accommodate the complainant with employment, and has therefore violated its obligations under the affirmative action provisions. (Notification of Results of Investigation).

However, on November 7, 1979, the Department of Labor advised Moon that the Solicitor's office advised that they will take no further action on his complaint, and were administratively closing it. No reason for closing the file was given. Howard L. Moon filed a complaint in federal district court on June 1, 1977, alleging that his discharge by Roadway was employment discrimination based on his handicap entitling him to reinstatement and damages. Roadway's motion to dismiss was granted, and the judgment affirmed by the Court of Appeals on February 15, 1980.

ARGUMENT

Is a private cause of action to be implied under Section 503 of the Rehabilitation Act of 1973, 29 U.S.C. §793? For the purpose of assessing the posture of the case, it must be assumed that Roadway is a contractor or subcontractor which has entered into a contract in excess of $2,500 with a federal agency; that Roadway has the statutory duty under 29 U.S.C. §793 to take affirmative action to employ and advance in employment qualified handicapped individuals; and that Moon is a "qualified handicapped" as defined by the statute. The petitioner alleged that he was discriminatorily discharged from his employment at Roadway's Griffin Terminal where he was employed as terminal manager. He further contended that the statute was violated when he, an amputee, was discharged on the basis

of his handicap. The statute, being aimed at encouraging employment of handicapped individuals, was directly violated by the employer. In defense, Roadway relied upon the district court case of Rogers v. Frito-Lay, Inc., 433 F. Supp. 200 (N.D. Tex. 1977).[1] In that decision, the court concluded on the basis of the enunciated factors in Cort v. Ash, 422 U.S. 66 (1975), that a private remedy was not implied under 29 U.S.C. § 793. The district court in Roadway agreed with Frito-Lay that under

---

[1]The Frito-Lay decision states that "legal analysis based on comparative treatment of 'the handicapped' as a group and the non-handicapped seems inappropriate, at least in the individualized job context". This language appears more appropriate in testimony to a legislative committee than as judicial evaluation. It is the function of the Congress to make this judgment as it did in enacting the Rehabilitation Act of 1973.

the Cort factors no private remedy was created by the statute.

Through the years this Court has refined the implication doctrine and in Cort v. Ash, supra, set forth the following test in "determining whether a private remedy is implicit in a statute not expressly providing one":

> "First, is the plaintiff 'one of the class for whose especial benefit the statute was enacted'--that is, does the statute create a federal right in favor of the plaintiff? Second, is there any indication of legislative intent, explicit or implicit, either to create such a remedy or to deny one? Third, is it consistent with the underlying purposes of the legislative scheme to imply such a remedy for the plaintiff? And finally, is the cause of action one traditionally relegated to state law, in an area basically the concern of the States, so that it would be inappropriate to infer a cause of action based solely on federal law." (citations omitted). 422 U.S. at 78.

When each of the criteria set forth in Cort is analyzed in terms of Section 503, implication is indicated. In

addition, when the statute in question is a civil rights statute such as Section 503, implication should be favored. While all four criteria are "relevant," the Court in Cannon v. University of Chicago, 441 U.S. 677 (1979) indicated that each one need not be met before a private right of action may be implied. Indeed, the Court concluded that Title IX presented the "atypical situation" in which all the Cort criteria were satisfied. 99 S.Ct. at 1968. The decision of the Court of Appeals is inconsistent with both Cort and Cannon.

Cort applied four factors to examine in that case whether a private judicial remedy would be implied from a federal criminal election statute prohibiting corporations from making contributions or making expenditures in certain federal elections. Ash, a holder of 50 shares in Bethlehem Steel Corporation

sued derivatively for damages against Bethlehem's chairman for his alleged violation of the federal election statute. The Court determined that in all instances Ash failed to satisfy the relevant factors. The first relevant factor analyzed in Cort v. Ash, supra, was whether the plaintiff was of the class for whose especial benefit the statute was created. The Court determined that the protection of ordinary stockholders was at best a secondary concern in the federal election statute that was allegedly violated; that "...the legislation was primarily concerned with corporations as a source of aggregated wealth and therefore of possible corrupting influence...." The Court went on to state as follows at page 82:

> In contrast, in those situations in which we have inferred a federal private cause of action not expressly provided, there

> has generally been a clearly articulated federal right in the plaintiff, e. g. Bivens v. Six Unknown Federal Narcotics Agents, supra, or a pervasive legislative scheme governing the relationship between the plaintiff class and the defendant class in a particular regard, e. g., J. I. Case Co. v. Borak, supra.

In the case at hand where the federal statute is clearly aimed at the protection and enhancement of work opportunities for the qualified handicapped individual, it is clear that the petitioner falls into the same categories as the Bivens and Borak cases. The adverse Rogers district court decision, supra, agreed for it determined that Rogers, an allegedly "qualified handicapped person", was one of the class for whose especial benefit the "contract section" was enacted, and thus satisfied the first of

the four Cort factors.[2] The district judge concluded that Section 793 of the Rehabilitation Act was limited in range because, as would appear the premise, the statute does not forbid discrimination; it merely encourages the employment of handicapped persons. The deduction that the statute has a limited beneficial range because of any failure to literally

---

[2]Roadway argued in its district court brief that Mr. Moon is not a member of the class for whose especial benefit the Act was passed because under the Act an amputee is defined as a severely handicapped as opposed to a handicapped individual. This distinction offered by Roadway is apparently created upon the fact that the term "handicapped" is defined. See 29 U.S.C. §706. There is obviously no intent under the Act to create a mutually exclusive class between "handicapped individuals " and "severely Handicapped individuals". An amputee such as Moon, qualifies as a "handicapped individual" under the statute. That he may have a severe handicap under the statute does not limit the protection accorded under the Act to a "handicapped individual". Mr. Moon was qualified to hold and did resume his former position after the amputation and as alleged his discharge was predicated on his handicap--not lack of qualification.

forbid discrimination is specious. Judge Rubin in the majority opinion of the Court of Appeals echoed this sentiment:

> The statutory language does not imply on its face any intention to endow the handicapped with a direct suit after suffering handicap-based discrimination. It merely requires those who give out federal contracts to obligate contractors to take affirmative steps to employ and advance handicapped persons. The duty it directly creates is imposed upon Federal departments and agencies, not upon contractors. The statute does not confer a clearly defined right of the benefitted. (Slip opinion, 3239).

Federal contractors are obligated under the statute to "take affirmative action to employ and advance in employment qualified handicapped individuals". Assume as we must for the purpose of this case that Mr. Moon was terminated by Roadway because of his handicap. It is questionable to conclude that Mr. Moon could be discharged solely on account of his amputation without offending the statute, and that the intent and

effect of the statute does not forbid the action by a covered federal contractor. Accord, Chaplin v. Consol. Edison Co. of N.Y., Inc., 482 F. Supp. 1165, 1173 fn. 8 (S. D. N.Y. 1980). Furthermore, under the affirmative action clause pertinent to federal contracts in excess of $2,500 is an unequivocal prohibition of discrimination:

> AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS
>
> (a) The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. 29 C.F.R. 741.4.

In cases involving other statutes that regulate the terms of federal contracts, courts have determined that

the first requirement of Cort was satisfied by applying a third-party beneficiary theory. In McDaniel v. University of Chicago, 548 F. 2d 689 (7th Cir. 1977), where the court concluded that the plaintiff class of laborers and mechanics were special beneficiaries of the Davis-Bacon Act, 40 U.S.C. §276a et seq., the court reasoned as follows:

> "The Davis-Bacon Act by its terms mandates that the contract between the federal government and the contractor provide that laborers and mechanics hired by the contractor be paid the minimum wages determined by the secretary of Labor to be prevailing for the corresponding class of laborers in the locality. The laborer is not only the principal beneficiary of the statute, but also a third-party beneficiary of a contract provided for by the statute." 548 F. 2d at 693.

See also Lau v. Nichols, 414 U.S. 563, 571 n.2 (Stewart, J. concurring) ("The respondents do not contest the standing of the petitioners to sue as beneficiaries of the federal funding contract between

the Department of Health, Education, and Welfare and the San Francisco Unified School District,"); The handicapped can be viewed as the principal beneficiaries of Section 503 as well as the third party beneficiaries of the terms of the federal contracts provided for by the statute. Handicapped persons are clearly the special class for which Section 503 was enacted.

The second factor enunciated in Cort was whether a legislative intent, explicit or implicit, was indicated either to create or to deny a private judicial remedy. The question here is not whether the Act explicitly permits a private action but whether one is implicitly created. The Court stated at page 83-84:

> True, in situations in which it is clear that federal law has granted a class of persons certain rights, it is not necessary to show an intention to create a private cause of action, although an explicit purpose to deny such

> cause of action would be controlling. But where, as here, it is at least dubious whether Congress intended to vest in the Plaintiff class rights broader than those provided by state regulation of corporations the fact that there is no suggestion at all that §610 (federal elections statute) may give rise to a suit for damages, or indeed, to any civil cause of action, reinforces the conclusion that the expectation, if any, was that the relationship between corporations and their stockholders would continue to be entrusted entirely to state law.

The administrative enforcement machinery of §793(b) reflects congressional intention to assist qualified handicapped persons through enforcement of affirmative action programs with contractors and subcontractors dealing with federal agencies. There is absolutely no expectation implicit in the "contract section" of the Rehabilitation Act of 1973 that the relationship between qualified handicapped persons and their employees "would continue to be entrusted entirely to state law" as in Cort.

It is conceded by the majority Court of Appeals opinion that the retroactive wisdom of Congress, as illustrated in the 1978 committee reports on the attorney fee amendment, assumed that a private action is implied in §793. Rogers, supra, at p. 1082. However, the majority declines the thought that attorney fee authorization for "any action or proceeding" is meant to authorize a private remedy or evidence any indication in 1973 to create one. Moreover, reported 1979 committee remarks as that of September 13, 1979, stating flatly that an aggrieved handicap has the right to proceed privately and obtain backpay and attorney fees is more than mere commentary as characterized by the Court of Appeals opinion. See Sen. Rep. No. 96-316, 96th Cong., 1st Sen. 12-13 (1979). While these retroactive statements are less valuable than would be contemporary accounts, they reflect

a continuing congressional intention to enact common remedial efforts to assist handicaps in both "grant" and "contract" sections. Judge Rubin erred in determining that the subsequent committee reports in 1978 and 1979 should be wholly disregarded in ascertaining congressional intent (See Rogers, at 1082). This Court recently determined in Cannon, supra, at 99 S. Ct. 1952, fn 7, that legislative expressions made after the enactment of Title IX of the Education Amendments of 1972 and during consideration of the applicable attorney fee amendment in 1976 were persuasive in ascertaining an earlier intent to authorize private enforcement. This Court stated in the majority opinion: Although we cannot accord these remarks the weight of contemporary legislature history, we would be remiss if we ignored these authoritative expressions concerning the scope

and purpose of Title IX and its place within 'the civil rights enforcement scheme' that successive Congresses have created over the past 110 years." This admonition is equally applicable to Section 503 of the Rehabilitation Act of 1973 and the intended prohibition of handicap discrimination by federal contractors. The expressed belief of the committee members in 1978 and 1979 that the act provided a private remedy cannot now be ignored and judicial scrutiny fixated solely on contemporaneous congressional expression. Thus, the Court of Appeals erred by gliding over what was labeled "mere commentary" in an improperly narrow view of legislative intent, and by failing to place the statute in the perspective of congressional civil rights enforcement.

Most decisions, circuit and district, have recognized an implied private remedy for actions brought under the "grant section", §504 of the Rehabilitation Act of 1973. See, e. g., United Handicapped Federation v. Andre, 558 F. 2d 413 (8th Cir. 1977); Lloyd v. Illinois Regional Transp. Authority, 548 F. 2d 1277 (7th Cir. 1977). It would be incongruous for the courts to fail to recognize a private action under §793, the "contract section" and yet recognize a private action under §794, the financial assistance or "grant section". The two sections being adjacent to each other and both obviously complementing each other in their effort to assist qualified handicapped persons the doctrine of noscitur a sociis applies; i. e., it is known from its associates. It would be disorderly and unjust to imply a private remedy under the financial assistance section but withhold a private

remedy under the government contractors' section. It should be assumed that the Congress would have expressly denied a private remedy under §793 if it had intended to permit one under §794. The administrative machinery under §503 gives no right to the handicapped person to pursue an administrative complaint if issuance of a complaint is declined as in the case of Mr. Moon. Although the Department of Labor's investigation determined that respondent Roadway discriminated against Mr. Moon on the basis of his handicap, the Department of Labor, acting through its Solicitor, declined to issue an administrative complaint under §503. Considering the available legislative expressions, as well as the legislative scheme of civil rights enforcement, it must be concluded that a private remedy was impliedly created.

The third factor enunciated by the Supreme Court in Cort was whether the implication of a federal judicial remedy was consistent with the underlying purpose of the legislative scheme. In Cort v. Ash, supra, at 84, the Court determined that a private remedy would not aid the primary congressional goal:

> Recovery of derivative damages by the corporation for violation of §610 (federal election statute) would not cure the influence which the use of corporate funds in the first instance may have had on a federal election.

However, the establishment of a private remedy in this case for qualified handicapped persons would effect the aim of the statute which is entirely consistent and identical with the aim of the qualified handicapped person who attempts to be reinstated and compensated after being discriminatorily discharged because of a handicap. The enforcement machinery established by §793(b) and the regulations

of the Department of Labor will be inadequate without resort to private federal action. First, the Department of Labor must determine through its Solicitor whether issuance of a complaint is appropriate even if there is a finding of discrimination. That discretion has been sparingly employed in favor of the handicapped person. In the 1978 hearing an Assistant Secretary of Labor stated, "Within this last year, we have taken administrative proceedings against the first five contractors that action has ever been brought against under this program." Hearings before the Subcommittee on Select Education of the Committee on Education and Labor of the House of Representatives, 95th Cong., 2d Sess, 265 (1978). He noted that this was out of "around 4,500 complaints." Id. at 255. The extent of the Department of Labor committment in issuing administrative complaints weighed

heavily upon the Congress in adopting the attorney fee amendment. Secondly, the administrative machinery does not directly accrue to the benefit of an individual qualified handicapped person unless the employer voluntarily accedes to conciliation or responds to administratively ordered corrective action. 41 C.F.R. §60-741.26(g)(2). The employer may request a hearing on any apparent violation, and if the hearing officer determines that action for noncompliance will be taken, the contractor may upon approval of the Director of the Office of Federal Contract Compliance Programs be declared ineligible for further federal contracts. 41 C.F.R. §741.31. The respondent's representation that it had no government contracts would be an issue to be determined in any administrative hearing. If it were determined that there are presently no government contracts although there

were in the past during the handicapped person's employment, the Director's administrative hand slap declaring the contractor ineligible for future federal contracts would be no curb against handicap discrimination or benefit the individual discriminatee. Certainly the intent of the statute to encourage employment of disabled individuals would be wholly frustrated in individual cases, as in this one, if no private remedy were implied. The Rehabilitation Act of 1973 set up standards that a private action can affirmatively enforce. The consequences that follow a breach of the law are vital and integral to its effect as a regulation of conduct. A private remedy would effectively enhance the aims of the statute by granting an enforceable remedy against an employer who has violated the provisions of the statute including reinstatement, back

pay, and restoration of lost benefits which are allowable under the law. See Sierra Club v. Morton, 400 F. Supp. 610, 625 (N.D. Cal. 1975). If the purpose of the statute is to be achieved, the act calls imperatively for an implied remedy. Who, more than the handicapped persons, would be the expected beneficiaries of an implied remedy? What would be more effective in encouraging employment of handicapped persons? In Gomez v. Florida State Employment Service, 417 F. 2d 569, 576 (5th Cir. 1969), the Fifth Circuit determined that the Wagner-Peyser Act, 29 U.S.C. §49 et seq., also a statute administered by the Secretary of Labor as in the instant case, gave rise to an implied civil cause of action which could be invoked by migratory farm workers deprived of protection guaranteed by the Act. "The rationale of the Gomez (decision) was that the remedies provided

by the Act were inadequate to protect employees' rights; inasmuch as the only sanction set forth in the statute is termination of federal funding for the state programs, it was deemed essential to grant private civil relief to prevent abrogation of congressional policy." Vasquez v. Ferre, 404 F. Supp. 815, 820 (D. N.J. 1975). In the interest of fostering reasonable certitude in the law, which is in some part synomonous with justice Moon should have his rights defined. He was discharged on February 18, 1977. The Department of Labor has recognized the futility of an individual aggrieved handicap receiving adequate administrative attention when conciliation is refused by a respondent. The limited resources of the Department and the large backlog of its cases lend it to conclude that the objective of the statute will best be served by permitting a private action.

Appendix to Judge Goldberg's dissent, Rogers, supra, at 611 F 2d. 1108-9. In Chaplin, supra, the Department of Labor in an amicus brief agreed that the availability of a private remedy would facilitate conciliation. However, as Moon now stands, he is in a quagmire of opposing precedents and sinking while a pressing question to him and others throughout the nation awaits resolution. Moon raises clear cut facts without procedural frills and legal overkill.

The fourth and final factor is whether the action would be one judicially relegated to state law so that it would be inappropriate to infer a cause of action based solely on federal law. It is apparent that it was the intent of the Congress to further the aim of the statute by asserting a federal enforcement mechanism. There is no evidence supporting the conclusion that rights of the handicapped are any less a matter of federal concern than

race, sex, or age discrimination. The Rogers district court decision determined, in view of a Texas law prohibiting discrimination on the basis of handicap, that an implied federal private right of action might duplicate available state remedies and increase the possibility of inconsistent judgments among state and federal courts and administrative bodies. The same rationale has not been found to create a hardship in the enforcement of federal and state remedies against other forms of discrimination. In Georgia, there is not a similar statute prohibiting employment discrimination on the basis of handicap. It would be manifestly unfair for this Court to determine on the authority of a Texas decision, incorporating as a basis for its decision a Texas statute not found in Georgia, that there is no private remedy under Section 793.

Under the "relevant factors" approach of Cort v. Ash, supra, Mr. Moon is entitled to assert a private remedy. He clearly satisfies the first, third and fourth factors; and the second factor of legislative intent does not weigh negatively because there is no explicit purpose to deny a private remedy, and no intention to create one need be explicitly stated. Cort, supra, at 83. To the contrary, the attorney fee amendment of 1978 implies an intention to create a private remedy in 1973, and Congress explicitly recognized a private remedy under §503 when adopting the amendment. The Court of Appeals misapplied Cannon, and tunneled its view of the legislative history and the legislative civil rights enforcement scheme contrary to the word and spirit of Cannon. Determining whether there is an independent federal remedy under Section 503 will eliminate complex

subsidary questions of federal law shrouding the application of Section 503. The Court of Appeals in a memorandum presented to counsel prior to oral agrument articulated some of these questions. See Appendix IV. If this Court does not now address the question presented does Moon have any remaining remedy now that the Department of Labor has determined not to proceed? Further...

(a) Does Moon have a valid challenge to the discretion of the executive department for its failure to issue a complaint by a mandamus proceeding?

(b) Does Moon have a valid basis to obtain a review of administrative proceedings under the Administrative Procedures Act?

Construing the statute to imply an independent private action for damages and individual relief would pretermit the kinds of perplexing questions raised by

the Court but not disposed of by the majority opinion.

The workaday application of the Rehabilitation Act of 1973 is an immediate issue to thousands of handicapped persons whose primary aim in life is, like all work oriented persons, to be productive. Shall the statute be interpreted to light the path of qualified persons aspiring to be productive, and capable of production, as intended by Congress, or left to remain on the shelf as a homeopathic remedy? Conversely, whether a private right shall be implied has great interest to industry which has had little occasion so far to be concerned with the rights of handicapped persons and its correlative duties under administrative enforcement machinery. On behalf of Mr. Moon, we petition the Court to hear the question presented.

Respectfully submitted,

Beverly B. Bates
BATES, BAUM AND LANDEY

Attorney for Petitioner

Suite 3500
101 Marietta Tower
Atlanta, Georgia 30303

(404) 681-2200

CERTIFICATE OF SERVICE

I hereby certify that three (3) copies of the foregoing Petition for Certiorari was served by United States Mail upon Ann Margaret Pointer, Esquire, Fisher & Phillips, 3500 First National Bank Tower, Atlanta, Georgia 30303 in a mannner consistent with Rule 33 of the Supreme Court of the United States.

This ___ day of May, 1980.

Beverly B. Bates
BATES, BAUM AND LANDEY

Attorney for Petitioner

Suite 3500
101 Marietta Tower
Atlanta, Georgia 30303

(404) 681-2200

APPENDIX

I District Court Decision;

II Administrative Notification of Results of Investigation;

III Administrative Notification of No Further Action;

IV Court of Appeals Memorandum To Counsel;

V Court of Appeals Opinion.

...ED IN CLERK'S OFFICE

OCT 6 1977

DEC H. C...T... Clerk
By: ...Deputy Clerk

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

HOWARD L. MOON

v.

ROADWAY EXPRESS, INC.

CIVIL ACTION

FILE NO. C77-908

ORDER

This case concerns alleged violations of the Rehabilitation Act of 1973, 29 U.S.C. §701 et seq., and specifically 29 U.S.C. §793. Plaintiff alleges that he is a handicapped individual who suffered employment discrimination at the hands of the defendant. The case is before the court on defendant's motion to dismiss the complaint for a lack of jurisdiction.

1. The focus of this motion is defendant's contention that the section under which plaintiff is proceeding does not authorize a private cause of action. As provided by 29 U.S.C. §793(b):

> Administrative Enforcement - Complaints - Investigations-Departmental action. If any handicapped individual believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to employment of handicapped individuals, such individual may file a complaint with the Department of Labor.

Subdivision (a) provides for an affirmative action program by the United States government to seek employment and advancement for qualified handicapped individuals. Under that section, the United States is to secure provisions providing for such programs in all contracts in excess of $2,500.00. Subdivision (c) provides for a waiver of such affirmative action obligations when special circumstances require.

Plaintiff seeks to establish a private cause of action from this section. The four requirements for an implied private cause were established in Cort v. Ash, 422 U.S. 66(1975). First, is the plaintiff "one of the class for whose especial benefit the statute was enacted"? Second, is there an indication of any intent to create or deny the private cause of action? Third, is the creation of a private cause of action consistent with the legislative purpose? Fourth, is the cause of action one traditionally relegated to State Law? 422 U.S. at 78.

Plaintiff's primary obstacles arise under the second and third of these requirements. Congress has created an affirmative action program in 29 U.S.C. §793. They have not forbade "discrimination" against the handicapped; indeed, they have not even mentioned discrimination. The purview of this section is the encouragement of employment of the handicapped on government jobs. The limited range of the statute does not include the creation of a private cause of action.

The availability of a private cause of action under 29 U.S.C. §793 has been examined by one Federal Court. In Rogers v. Frito-Lay Inc. 14 FEP 1752 (N.D. Tx. 1977), the court found implication of a private cause of action to be inconsistent with the legislative intent behind the Rehabilitation Act of 1973. The Court relied upon Congressional rejection of "the perennial attempts" to amend Title VII of the Civil Rights Act of 1964 to give handicapped individuals a private cause of action for discriminatory practices. See 14 FEP at 1753. That court could not find a readily identifiable class of handicapped persons, nor would they presume the companion regulations of the Department of Labor would be inadequate. For these reasons and more, the Northern District of Texas has refused to find an implied private cause of action in the Rehabilitation Act of 1973.

Counsel for plaintiff focuses upon Gomez v. Florida State Employment Service, 417 F.2d 569, 576 (5th Cir. 1969) as demonstrating a Fifth Circuit propensity to imply a civil cause of action in statutes administered by the Secretary of Labor. The statute in question in Gomez was the Wagner-Peyser Act, 29 U.S.C. §49 et seq., which established, through the Act and Labor Department regulations, rights and remedies for migratory farm workers accepting work through employment systems established by the Act. The Fifth Circuit found that "[a]bsent an implied remedy, the workers have no protection". Under the Wagner-Peyser Act, a state which did not comply with federal employment guidelines was subject only to a loss of federal funding. No one could go to court.

The factors requiring a judicially created private cause of action in Gomez are not present here. In the case at bar, a party not in compliance with their obligations under the Rehabilitation Act is subject to judicial control. As provided by 41 C.F.R. §60-741.28(b):

> Judicial enforcement. In addition to the administrative remedies set forth herein, the Director, may within the limitations of applicable law, seek appropriate judicial action to enforce the contractual provisions . . .

The Rehabilitation Act, and the implementing regulations, clearly enumerate the circumstance under which a judicial remedy is appropriate as well as who may seek judicial enforcement. Neither permits private enforcement.

The Fifth Circuit has previously held that the Walsh-Healey Act does not create a private cause of action, United States v. Lovknit Mfg. Co. 189 F.2d 454 (1951); That the Fair Labor

Standards Act does not create a private cause of action, Breitwieser v. KMS Industries, Inc., 467 F.2d 1391 (1972) and Martinez v. Behring's Bearings Service, Inc., 501 F.2d 104(1974); and that the Occupational Safety and Health Act does not create a private cause of action, Jeter v. St. Regis Paper Co., 507 F.2d 973 (1975). Gomez notwithstanding, implied private causes arise only where the law creating a right provides no remedy. Breitwieser, supra, 467 F.2d at 1392.

In summation, no private cause is to be implied from 29 U.S.C. §793. In an application of the ancient maxim expressio unius est exclusio alterius, "when legislation expressly provides a particular remedy or remedies, courts should not expand the coverage of the statute to subsume other remedies." National R.R. Passenger Corp. v. National Ass'n of R.R. Passengers, 414 U.S. 453, 458 (1974).

2. In light of the foregoing, defendant's motion for extension of time is moot.

3. Accordingly, defendant's motion to dismiss for lack of jurisdiction is GRANTED.

SO ORDERED, this 7th day of October, 1977.

Harold S. Mayerson

UNITED STATES DISTRICT JUDGE

Howard L. Moon
1407 Cabin Creek Trail
Griffin, GA 30223

COMPLAINANT

020

Roadway Express Company
2701 Moreland Avenue
Atlanta, GA 30315

CONTRACTOR

NOTIFICATION OF RESULTS OF INVESTIGATION

An investigation by the Office of Federal Contract Compliance Programs of the Employment Standards Administration in the U.S. Department of Labor, of the allegations made in the complaint of Howard L. Moon, filed on April 5, 1977 has resulted in the following findings:

The said employer is a contractor and the complainant is a handicapped person within the meaning of Section 503 of the Rehabilitation Act of 1973, as amended.

The complainant alleges that the contractor violated its obligations under the affirmative action provision of its Federal contract by terminating him from employment on February 18, 1977, due to his handicapping condition, a left leg amputation that causes him to use a prosthesis in order to ambulate.

The contractor's position is that the complainant was terminated because he was not the calibre of person the contractor needs to build a management organization on, and because the complainant's attitude toward the company and his job had soured. The contractor further stated that reasonable accommodations were made to the complainant by allowing him to return to employment after his leg amputation.

Investigation by this Department indicated that the contractor terminated the complainant from employment because of his handicapping condition although the complainant continually demonstrated that he could perform the duties of Terminal Manager. The contractor has refused to reasonably accommodate the complainant with employment, and has therefore violated its obligations under the affirmative action provisions.

In accordance with the regulations for the handicapped persons program (60 CFR Section 741.26(a)), the Department now invites Roadway Express Company

to join with it to resolve this matter through conciliation by informal means. An investigator from this office will be in contact with Roadway Express Company within ten (10) days to begin the conciliation process.

On behalf of the United States Department of Labor

Jodie G. Eggers — May 15, 78

JODIE G. EGGERS — DATE
ESA Assistant Regional Administrator
for OFCCP

Region IV

U.S. Department of Labor

Employment Standards Administration
Office of Federal Contract
Compliance Programs
1371 Peachtree Street, NE.
Suite 729
Atlanta, Georgia 30309

NOV 07 1979

Reply to the Attention of:

Mr. Howard L. Moon
1407 Cabin Creek Trail
Griffin, Georgia 30223

Dear Mr. Moon:

This is written in reference to your complaint filed under Section 503 of the Rehabilitation Act of 1973 against Roadway Express, Inc.

As previously explained to you, your complaint case file was forwarded to our Regional Solicitor's Office for their review and appropriate legal action.

The complaint file has been returned and the Solicitor's Office has advised us that they will take no further action on your complaint. Therefore, we are administratively closing it.

As set forth in 41 CFR 60-741.26(g), the Director of the Office of Federal Contract Compliance Programs may, for reasonable cause, reconsider or order the reconsideration of this determination. If you desire reconsideration you should address a written request to Director, OFCCP, U. S. Department of Labor, 200 Constitution Avenue, NW., Washington, D.C. 20210. Such a request should be accompanied by affidavits, signed testimony of supervisory or fellow workers, or other written documentation that would substantially alter our findings in this case.

We regret that we cannot be of further assistance to you in this matter.

Sincerely,

Donald G. Webster

DONALD G. WEBSTER
Assistant Regional Administrator
OFCCP/ESA

cc: B. Bates
Attorney

UNITED STATES COURT OF APPEALS

FIFTH CIRCUIT

June 15, 1979

TO: Counsel

SUBJECT: No. 77-2443 - Mildred Lee Rogers v. Frito-Lay, Inc. (Consolidated with No. 77-3263 - Howard L. Moon v. Roadway Express, Inc.)

After reviewing the briefs in this matter, the court had a few questions that at least one of the judges who will hear your argument knows in advance he would like to have answered or commented on in oral argument. Knowing that interruption of counsel to put these questions may interfere with counsel's train of thought, and desiring also to give counsel at least some opportunity to reflect on the questions, we are submitting them to you. We suggest that you try to answer them as directly as possible during the course of your argument.

Of course, the fact that the court desires to know your answers to these questions must not be taken as an indication of the direction of the court's thoughts or of the issues that the court considers decisive. Instead, they are part of the court's effort to understand the case as completely as possible.

You will likely be asked to answer other questions from members of the court as your argument proceeds. These, too, are designed merely to enable the court to understand your position. We hope that you will welcome the opportunity to give us as much information as possible.

The questions that we know at this time are the following:

1. If the plaintiff has a private cause of action, is exhaustion of the administrative procedure a prerequisite?

2. If the court required exhaustion of administrative procedures available, how would the plaintiff proceed to exhaust remedies?

3. What would happen if the plaintiff filed a complaint and no action was taken for an extended period of time?

4. Could an order be directed to the Department of Labor to take administrative action?

5. If the Department of Labor undertook administrative action, would the plaintiff as an individual be represented?

6. Suppose the Labor Department worked out an affirmative action program satisfactory to it, but one unsatisfactory to the plaintiff individually because it did not assure him or her individual relief; how would this affect the plaintiff's right to sue?

7. If the statute implies a private cause of action, does the action subsist only for affirmative action or does it comprehend redress in damages and other individual relief for past action?

CORRECTED

Mildred Lee ROGERS,
Plaintiff-Appellant,

v.

FRITO-LAY, INCORPORATED,
Defendant-Appellee.

Howard L. MOON, Plaintiff-Appellant,

v.

ROADWAY EXPRESS, INC.,
Defendant-Appellee.

Nos. 77-2443, 77-3263.

United States Court of Appeals,
Fifth Circuit.

Feb. 15, 1980.

Handicapped former employee of federal contractor brought suit under the Rehabilitation Act, and the employer moved to dismiss. The United States District Court for the Northern District of Texas, William M. Taylor, Jr., J., 433 F.Supp. 200, dismissed for failure to state a claim, and the former employee's appeal was consolidated with an appeal from a judgment of dismissal rendered in a similar suit before the United States District Court for the Northern District of Georgia, Harold L. Murphy, J. The Court of Appeals, Alvin B. Rubin, Circuit Judge, held that the section of the Rehabilitation Act which requires every federal contract in excess of $2,500 to contain a provision obligating the contracting parties to take affirmative action to employ and advance in employment qualified handicapped individuals did not create a private right of action to remedy alleged discrimination against the handicapped by federal contractors.

Judgments affirmed.

Goldberg, Circuit Judge, dissented and filed opinion.

1. Federal Courts ⇐797

On appeal from judgments of dismissal for failure to state a claim, the Court of Appeals would assume that, as alleged in the complaints, each of the plaintiffs was a qualified handicapped person and each was discharged because of handicaps.

2. Federal Courts ⇐5

Federal courts are not common-law courts of general jurisdiction but are limited by the express language of the Constitution and the functional role it allots to the judiciary.

3. Action ⇐3

A federal court can recognize a cause of action only if it has been created by statute.

4. Action ⇐3

In suits presenting question whether the Rehabilitation Act impliedly authorizes handicapped individuals who believe that federal contractors have discriminated against them to file civil actions to obtain damages for such discrimination, obligation of federal court was to determine, to the best of its ability, whether Congress intended to create such private right of action; even if the court was satisfied that some factors supported implying such a right, it could not do so if it was unconvinced that Congress intended such a remedy. Rehabilitation Act of 1973, §§ 503, 504 as amended 29 U.S.C.A. §§ 793, 794.

5. Action ⇐3

Framework, set down by the United States Supreme Court in *Cort v. Ash*, for determining whether a federal statute creates a private judicial remedy, is primarily a guide for the process of statutory construction.

6. Action ⇐3

The court is not entitled to infer the existence of a private judicial remedy in the face of Congressional silence if the language and structure of the statute do not support the inference, even though in other circumstances silence would not be dispositive.

7. Labor Relations ⇐7

The section of the Rehabilitation Act which requires every contract in excess of $2,500 with any federal department to contain a provision obligating the contracting parties to take affirmative action to employ and advance in employment qualified handicapped individuals was intended at least to direct federal agencies to use their purchasing power so as to improve employment opportunities for qualified handicapped persons. Rehabilitation Act of 1973, § 503 as amended 29 U.S.C.A. § 793.

8. Action ⇐3

Fact that Congress had handicapped persons in mind when it enacted the section of the Rehabilitation Act which requires every contract in excess of $2,500 with any federal department to contain a provision obligating the contracting parties to take affirmative action to employ qualified handicapped individuals and that Congress mentioned handicapped persons in the statute did not warrant concluding that Congress intended to create a federal right in favor of handicapped persons. Rehabilitation Act of 1973, § 503 as amended 29 U.S.C.A. § 793.

9. Action ⇐3

The Rehabilitation Act section which provides that every contract in excess of $2,500 with any federal department must contain provision requiring the contracting parties to take affirmative action to employ and advance in employment qualified handicapped individuals merely required those who give out federal contracts to obligate contractors to take affirmative steps to employ and advance handicapped persons and did not imply on its face an intention to endow the handicapped with a direct private right of action to redress handicap-based discrimination. Rehabilitation Act of 1973, § 503, 29 U.S.C.A. § 793.

10. Labor Relations ⇐7

Duty directly created by the Rehabilitation Act section which requires every contract in excess of $2,500 with any federal department to contain a provision obligating the contracting parties to take affirmative action to employ qualified handicapped individuals was imposed on federal departments and agencies, not on contractors. Rehabilitation Act of 1973, § 503 as amended 29 U.S.C.A. § 793.

11. Action ⇐3

When a statute is structured as a directive to federal agencies and does not clearly define a right inhering in individual members of the benefited class, there must be persuasive evidence in the legislative history that Congress intended to confer such a right before the courts are justified in concluding that one exists.

12. Statutes ⇐184, 216, 217.3

In trying to discern congressional intent by examining the legislative history of a statute, courts look to the purpose of the original enactment, discussions of statutory meaning in committee reports, the effect of amendments, whether accepted or rejected, and the remarks in debate preceding passage.

13. Statutes ⇐216, 217.2

The retroactive wisdom provided by the subsequent speech of a member of Congress stating that yesterday we meant something that we did not say is an ephemeral guide to history; what happened after a statute was enacted may be history and may come from members of Congress but it is not part of the legislative history of the enactment.

14. Action ⇐3

Fact that the Rehabilitation Act was amended by a section providing for attorney fees in any action to enforce or charge a violation of a provision did not mean that the amendment was intended to authorize private individuals to file civil actions to redress alleged violations of the requirement that federal contractors take affirmative action to employ and advance qualified handicapped individuals. Rehabilitation Act of 1973, §§ 503–505, 505(b) as amended 29 U.S.C.A. §§ 793–794a, 794a(b).

15. Action ⇐3

Fact that committees of both Houses of Congress assumed, in connection with amending the Rehabilitation Act, that a private cause of action to redress alleged violations of the Act had somehow been created did not provide a basis for federal court to conclude that the Act did in fact create such a private cause of action. Rehabilitation Act of 1973, § 503 as amended 29 U.S.C.A. § 793.

16. Statutes ⇐217.1

Statement made by Senate Committee some five years after the Rehabilitation Act was enacted was not part of the statutory history of the Act but was mere commentary and could not create a congressional intent that otherwise did not exist. Rehabilitation Act of 1973, § 503 as amended 29 U.S.C.A. § 793.

17. Action ⇐3

Fact that Congress provided a complete administrative scheme to remedy violations of the Rehabilitation Act section requiring federal contracts to obligate contractors to take affirmative action to employ qualified handicapped individuals and that implementing regulations provided explicit details for the operation of the administrative plan created at least some basis for concluding that a private right of action would be inconsistent with the purposes of the legislative scheme. Rehabilitation Act of 1973, § 503 as amended 29 U.S.C.A. § 793.

18. Constitutional Law ⇐70.1(11)
Statutes ⇐195

When a statute limits a thing to be done in a particular mode, it includes the negative of any other mode and, therefore, when legislation expressly provides a particular remedy or remedies, courts should not expand the coverage of the statute to subsume other remedies.

19. Action ⇐3

When a statute is entirely silent as to whether Congress intended to provide a private cause of action to redress viola-

tions, such silence may indicate that the question never occurred to Congress at all, or it may reflect mere oversight in failing to deal with a matter intended to be covered, or it may demonstrate deliberate obscurity to avoid controversy that might defeat passage of the legislation, or it might have resulted from an assumption by Congress that the courts would recognize a private cause of action.

20. Action ⇐3

Those who contend that a federal statute endows them with an implied private right of action to redress violations must establish their proposition.

21. Action ⇐3

The Rehabilitation Act section which requires that every contract in excess of $2,500 with any federal department contain a provision obligating the contracting parties to take affirmative action to employ and advance in employment qualified handicapped individuals did not confer on qualified handicapped persons who were discharged by federal contractors because of their handicaps a private right of action to redress such alleged discrimination. Rehabilitation Act of 1973, § 503 as amended 29 U.S.C.A. § 793.

Appeal from the United States District Court for the Northern District of Georgia.

Before GOLDBERG, FAY and RUBIN, Circuit Judges.

ALVIN B. RUBIN, Circuit Judge:

The issue before us can be simply stated: section 503 of the Rehabilitation Act of 1973 requires every contract in excess of $2,500 with any federal department to "contain a provision requiring that, in employing persons to carry out" the contract, the contracting parties "shall take affirmative action to employ and advance in employment qualified handicapped individuals." 29 U.S.C. § 793.[1]

1. 29 U.S.C. § 793 provides:

§ 793. Employment under Federal contracts (a) Amount of contracts or subcontracts; provision for employment and advancement of qualified handicapped individuals; regulations. Any contract in excess of $2,500 entered into by any Federal department or agency for the procurement of personal property and nonpersonal services (including construction) for the United States shall contain a provision requiring that, in employing persons to carry out such contract the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals as defined in section 7(7) [29 USCS § 706(7)]. The provisions of this section shall apply to any subcontract in excess of $2,500 entered into by a prime contractor in carrying out any contract for the procurement of personal property and nonpersonal services (including construction) for the United States. The President shall implement the provisions of this section by promulgating regulations within ninety days after the date of enactment of this section [enacted Sept. 26, 1973].

(b) Administrative enforcement; complaints; investigations; departmental action. If any handicapped individual believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to employment of handicapped individuals, such individual may file a complaint with the Department of Labor. The Department shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant, consistent with the terms of such contract and the laws and regulations applicable thereto.

This provision is part of the same act as section 504, 29 U.S.C. § 794, but must be distin-

It also provides that any handicapped individual who believes any contractor has failed to comply with this agreement may file a complaint with the Department of Labor.[2] Does this statute also impliedly authorize such an individual to file a civil action in a United States District Court seeking damages for the contractor's failure?[3]

[1] Because each of these cases comes to us on appeal from a judgment of dismissal for failure to state a claim, we assume that, as alleged in the complaints, each of the plaintiffs is a qualified handicapped person and each was discharged because of handicaps. This merely means our inquiry is warranted; it is not decisive, for the heart of the problem is whether Congress intended to benefit the qualified handicapped by giving them a particular right: the right to sue in federal court for relief from the discriminatory conduct of federal contractors.

The Rehabilitation Act of 1973 was adopted after presidential vetoes had stymied two earlier attempts to enhance federal aid to handicapped persons. Most of the controversy surrounding the bill and its predecessors focused on wide ranging programs, to be federally funded, designed to aid handicapped persons in assuming a full role in society, and on the appropriations that would be required if the measure were adopted. Consequently, Congress devoted little of its discussion to its intentions regarding section 503. *See* Sen.Rep.No. 93–318, 93d Cong., 1st Sess., pp. 12–16 (1973), U.S.Code Cong. & Admin.News, p. 2076. The statute's muteness, therefore, is not given meaning by voices in the legislative background. The plaintiffs ask us to find not only significance in the si-

guished from it. Section 504 provides as follows:

§ 794. Nondiscrimination under Federal grants and programs

No otherwise qualified handicapped individual in the United States, as defined in section 7(7) [29 USCS § 706(7)], shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance or under any program or activity conducted by any Executive agency or by the United States Postal Service. The head of each such agency shall promulgate such regulations as may be necessary to carry out the amendments to this section made by the Rehabilitation, Comprehensive Services, and Developmental Disabilities Act of 1978 [Act Nov. 6, 1978; see Amendment note]. Copies of any proposed regulation shall be submitted to appropriate authorizing committees of the Congress, and such regulation may take effect no earlier than the thirtieth day after the date on which such regulation is so submitted to such committees.

2. Both appellants also attempted to allege causes of action arising under section 504 of the Act, 29 U.S.C. § 794, but those claims were abandoned in the district courts in both instances. The appeal here arises solely under the section 503 claim.

We should also note that, while appellant Moon brought his action solely in his own behalf, appellant Rogers brought her action as a class action. Because the district courts dismissed both actions for the reason that they found no private right of action, this difference in status is not significant in our decision.

The Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) has authority for administration of this section and has promulgated regulations. *See* 41 C.F.R. § 60–741 (1978).

3. Lest this simple statement of the issue appear to provide an ingenuous answer, we note that plaintiffs ask us not to infer a private action to force the inclusion of affirmative action clauses in federal contracts, but to infer a private action to remedy actions of federal contractors that they claim discriminate against the handicapped.

lence, but also the specific message of intent to bestow a private cause of action.

[2, 3] Federal courts are not common law courts of general jurisdiction. Limited by the express language of the Constitution, and the functional role it allots to the judiciary, we can recognize the cause of action only if it has been created by statute. *See Cannon v. University of Chicago*, 1979, 441 U.S. 677, 717, 99 S.Ct. 1946, 1968, 60 L.Ed.2d 560, 587 (Rehnquist, J., concurring). Therefore, our answer to the question in this case depends, the authorities and the parties all agree, on whether Congress intended, when this statute was enacted, to create such a method of enforcing the statutory policy. Because Congress did not speak to us unequivocally, either in the statute or in some other authoritative fashion, we must seek an answer in the history of enactment of the statute and in analogies to what the courts have derived from other statutes.

Having done so, in a manner we describe below, we have concluded that Congress has not authorized a private cause of action.

I.

[4–6] In two cases decided within the last five years, the Supreme Court, summarizing its reflections in other prior cases, has told us how to seek intimations sufficient to read statutory silence as affirmative or negative. *Cort v. Ash*, 1975, 422 U.S. 66, 95 S.Ct. 2080, 45 L.Ed.2d 26; *Cannon v. University of Chicago*, 1979, 441 U.S. 677, 99 S.Ct. 1946, 60 L.Ed.2d 560. We are directed to consider four factors; but we are warned, as we should surely already know, that mechanical adherence to any multiple-part test is injurious and negates the very judgmental wisdom that is sought from courts. *See id.* at 717, 99 S.Ct. at 1968, 60 L.Ed.2d at 587 (Rehnquist, J., concurring). Our obligation is to determine, to the best of our abilities, whether Congress intended to create the private right of action plaintiffs seek to bring in federal court; even were we satisfied that some of the *Cort* factors supported implying such a right, we could not do so if unconvinced that Congress intended such a remedy. *See Transamerica Mortgage Advisors, Inc. v. Lewis*, 1979, — U.S. —, 100 S.Ct. 242, 62 L.Ed.2d 146; *Touche Ross & Co. v. Redington*, 1979, 442 U.S. —, 99 S.Ct. 2479, 61 L.Ed.2d 82.[4]

A. *Was the plaintiff one of the class for whose especial benefit the statute was enacted?*

[7, 8] The statute was intended at the least to direct federal agencies to use

4. Because we are satisfied that the fourth factor in *Cort* is satisfied—this is not a matter traditionally relegated to state law—we do not discuss it. The crucial inquiry is whether Congress intended a private judicial remedy as part of section 503. The most fruitful direction for that inquiry is a focus on the first three factors in *Cort*. *See Touche Ross & Co. v. Redington*, 1979, 442 U.S. —, 99 S.Ct. 2479, 2489, 61 L.Ed.2d 82. Although we conform our analysis to the framework set down in *Cort*, we must remember that the framework is primarily a guide for the process of statutory construction. *See Transamerica Mortgage Advisors, Inc. v. Lewis*, 1979, — U.S. —, 100 S.Ct. 242, 62 L.Ed.2d 146. Thus, we are not entitled to infer the presence of a private judicial remedy in the face of Congressional silence if the language and structure of the statute do not support the inference, even though in other circumstances silence would not be dispositive. *See id.* (discussing *Cannon v. University of Chicago*, 1979, 441 U.S. 677, 99 S.Ct. 1946, 60 L.Ed.2d 560).

their purchasing power so as to improve employment opportunities for "qualified handicapped persons." But it would be facile simply to conclude that, because Congress had handicapped persons in mind when it enacted section 503 and mentioned them in the statute, the first *Cort* factor is satisfied. What *Cort* demands is not that we determine whether Congress intended to aid a particular class of persons, but that we ascertain whether Congress intended to "create a federal right in favor of the plaintiff." *Cort v. Ash*, 1975, 422 U.S. 66, 78, 95 S.Ct. 2080, 2088, 45 L.Ed.2d 26, 36. To this end, "the right— or duty-creating language of the statute has generally been the most accurate indicator of the propriety of implication of a cause of action." *Cannon v. University of Chicago*, 1979, 441 U.S. 677, 690 n. 13, 99 S.Ct. 1946, 1954 n. 13, 60 L.Ed.2d 560, 571 n. 13.

The words of the statute, which are remarkably plain and jargon-free, do not indicate that it is aimed at overcoming those barriers to the employment of a qualified handicapped person that can be surmounted only by costly action or major programs. What is required of the employer could be as simple as providing a ramp for wheelchairs over a stairway or as complex as installing altered machinery, or it may, of course, be that apparently simple but much more difficult problem of eliminating prejudice, a disease so deep rooted that it caused Clemenceau to say, "a citizen is sometimes called upon to make a greater sacrifice for his country than the sacrifices of his life, namely, to sacrifice his prejudices."

[9, 10] The statutory language does not imply on its face any intention to endow the handicapped with a direct suit after suffering handicap-based discrimination. It merely requires those who give out federal contracts to obligate contractors to take affirmative steps to employ and advance handicapped persons.[5] The duty it directly creates is imposed upon federal departments and agencies, not upon contractors. The statute does not confer a clearly defined right on the benefitted class. There is no intimation that every qualified handicapped person has a right to affirmative action in his particular case; what is apparent is that those who control federal contracts have a duty to make and en-

5. We are aware that the affirmative action clause inserted in federal contracts pursuant to 29 U.S.C. § 793 bans discrimination on the basis of handicaps. *See* 41 C.F.R. § 60-741.4 (1978). There is also language in the legislative history indicating that the section has an antidiscrimination component. *See* Rep.No. 93-318, 93d Cong., 2d Sess. (1973). *See generally*, Note, *Private Rights of Action for Handicapped Persons under Section 503 of the Rehabilitation Act*, 13 Val.U.L.Rev. 453 (1979). However, its principal thrust is to ensure that federal contractors will take affirmative steps to employ the handicapped, *see* S.Rep.No. 93-318, 93d Cong., 2d Sess. (1973); S.Conf. Rep.No. 93-1270, 93d Cong., 2d Sess. (1974), and the legislative history does not provide any basis for defining the nature of the antidiscrimination component we are asked to read into the affirmative action language of the statute.

The plaintiffs do not assert a claim based on putative status as third party beneficiaries of a federal contract, and we do not undertake to discuss the issues, neither briefed nor argued on appeal, whether a federal contract containing provisions required by statute creates a third-party beneficiary relationship, *see* Restatement of Contracts, §§ 133-147 (1932), and what would be the jurisdictional basis for a suit by such a third-party beneficiary in a federal court. If the thesis is plausible, we would also need to consider whether implication of a third-party beneficiary claim turns on the same considerations as implication of a private cause of action.

force contracts containing the requisite clause. The handicapped may have simply the right to petition those who administer federal contracts to perform their duty.

The language of the statute is thus unlike those statutes that unequivocally focus on the benefitted class in their right—or duty-creating language. *See, e. g., id.*, 441 U.S. at 681 n. 3, 99 S.Ct. at 1950 n. 3, 60 L.Ed.2d at 567 n. 3 ("No person . . . shall be excluded . . . ." 20 U.S.C. § 1681); *Allen v. State Board of Elections*, 393 U.S. 544, 554–55, 89 S.Ct. 817, 825–26, 22 L.Ed.2d 1, 11. ("No person shall be denied . . . ."). It is, however, *not* unlike language that the *Cannon* court indicated would be sterile ground for implying a cause of action: "[t]here would be far less reason to infer a private remedy in favor of individual persons if Congress . . . had written [the statute] simply as a ban on discriminatory conduct by recipients of federal funds or as a prohibition against the disbursement of public funds to . . . institutions engaged in discriminatory practices." *Cannon v. University of Chicago*, 1979, 441 U.S. 677, 690–93 and n. 14, 99 S.Ct. 1946, 1954–55 and n. 14, 60 L.Ed.2d 560, 571–573 and n. 14 (footnote omitted). Here, that is precisely what Congress did.

[11] The duty-creating phrases are not conclusive, but they make inference of a private cause of action more difficult. When a statute is structured as a directive to federal agencies and does not clearly define a right inhering in individual members of a benefitted class, there must be persuasive evidence in the legislative history that Congress intended to confer such a right before the courts are justified in concluding that one exists. *See Transamerica Mortgage Advisors, Inc. v. Lewis*, 1979, —— U.S. ——, 100 S.Ct. 242, 62 L.Ed.2d 146.

B. *Is there any indication of legislative intent, explicit or implicit, either to create such a remedy or to deny one?*

[12] In trying to learn Congressional intent by examining the legislative history of a statute, we look to the purpose the original enactment served, the discussion of statutory meaning in committee reports, the effect of amendments—whether accepted or rejected—and the remarks in debate preceding passage.

The scant discussion of section 503 that occurred during the process of enactment of the Rehabilitation Act of 1973 does not indicate that Congress contemplated a private right of action for handicapped persons. The only explicit statements of Congressional intent are found in connection with later legislation, corollary to section 503. We are urged to find meaning in section 503 as a result of later statutes and of remarks by individual Congressmen made at a later time.

[13] The retroactive wisdom provided by the subsequent speech of a member of Congress stating that yesterday we meant something that we did not say is an ephemeral guide to history. Though even God cannot alter the past, historians can, *compare* Samuel Butler, Creation Revisited, c. 14, and other mortals are not free from the temptation to endow yesterday with the wisdom found today. What happened after a statute was enacted may be history and it may come from members of the Congress, but it is not part of the legislative history of the original enactment.

Later statutes may provide guidance. The Supreme Court has on occasion referred to the language of a later statutory amendment,[6] whether independent or amendatory, in interpreting an earlier one. When thus utilized, the role of the later statute is not primarily historical: it repeals, modifies, adds to or subtracts from the earlier one by its own force. Its enactment stems from Congressional legislative power to repeal or alter what it has done. When such a statute has been adopted, the question becomes one of interpreting the two enactments together.

The two amendments to Title V that have been adopted leave the question of individual right to sue almost as murky as did the original text. In 1974 Congress amended the newly enacted Rehabilitation Act. One of the purposes and results of the amendment was to clarify the definition of "handicapped person" under sections 503 and 504 of the Act. Although the adopted amendment did not affect the substance of either section, the legislators utilized the legislative process to express their views on the intended scope of those sections as originally adopted.

The most extensive discussions of the two sections appear in the Senate Conference Committee Report on the amendments. Sen.Conf.Rep.No. 93–1270, 93d Cong., 2d Sess. 25–28 (1974). Even then, little attention was directed to enforcement of section 503, but section 504 enforcement was discussed in detail. The Report equated section 504 to section 601 of the Civil Rights Act of 1964, 42 U.S.C. § 2000d and section 901 of the Education Amendments of 1972, 20 U.S.C. § 1681. Like those sections, the conferees stated, section 504 is to be enforced by administrative and judicial means, including a private judicial remedy for those harmed by violations of the section.

The Committee failed to make similarly explicit any understanding that section 503 would entail a private judicial remedy. It did, however, note the intent that "sections 503 and 504 be administered in such a manner than a consistent, uniform, and effective federal approach to discrimination against handicapped persons would result." Sen.Conf. Rep.No. 93–1270, *supra*, at 27.[7] This

6. *See Cannon v. University of Chicago*, 1979, 441 U.S. 677, 686 n. 7, 99 S.Ct. 1946, 1952 n. 7, 60 L.Ed.2d 560, 569 n. 7. The *Cannon* court noted, despite its partial reliance on later legislative history, that "we cannot accord these remarks the weight of contemporary legislative history . . . ." *Id.* In contrast to the situation here, there was in *Cannon* substantial contemporary legislative history supporting the court's view of the statute, *id.* at 694, 99 S.Ct. at 1956–57, 60 L.Ed.2d at 574.

7. This apparently prompted Senator Robert Stafford, who was not one of the conferees but was a leading advocate of the Rehabilitation Act throughout its consideration, to state that it was intended that enforcement under both sections 503 and 504 would be similar to enforcement under section 601 of the Civil Rights Act and section 901 of the Education Amendments. 120 Cong.Rec. 30551 (1974).

It is noteworthy, however, that immediately following its suggestion that enforcement of sections 503 and 504 should be "uniform," the conference committee indicated that enforcement of the two sections would be handled by separate agencies. Sen.Conf.Rep.No. 93–1270, *supra* at 27–28. It assigned to the Secretary of HEW "responsibility for coordinating the section 504 enforcement effort" because of that department's experience in combatting discrimination. Of course, that experience includes familiarity with coordinating private causes of action and administrative enforcement. Section 503 enforcement authority was, however, left to the Department of Labor, in response to Executive Order No. 11758, 39 Fed.Reg. 2075 (Jan. 15, 1974), as amended by

might prompt the conclusion that a private judicial remedy was intended under both sections. But the occasional mentions of section 503 contain no direct statement of an intention to create a private cause of action. Even as straws in the wind, these statements indicate cross currents rather than a stout breeze from one direction.

[14] The appellants find their strongest argument in an implication they seek to draw from enactment in 1978 of an amendment to the Rehabilitation Act of 1973 that added a new section providing for attorney's fees in any action "to enforce or charge a violation of a provision of this subchapter."[8] This undoubtedly authorizes an attorney's fee in actions brought to enforce section 503; but it does not necessarily follow that the amendment is intended to authorize private individuals to file civil actions under that section.

We are aware that the Senate report states: "the availability of attorney's fees should assist in vindicating private rights of action in the case of section 502 and 503 cases, as well as those arising under section 501 and 504," S.Rep.No. 95-890, 95th Cong.2d Sess. 19 (1978), and that the House report contains similar language.[9]

[15] It may, therefore, fairly be said that the 1978 committees of both Houses assumed that a private cause of action had somehow been created in the past. The existence of such a postulate is neither logical nor legislative basis to conclude that the 1973 statute did in fact create the action; and, if the 1973 statute did not authorize the cause of action, the 1978 statute evidences no intention to create one. An assumption is not a law.

[16] A statement indicating that section 503 creates a private cause of action was made by a Senate Committee in 1979.[10] "The Committee" in 1978 or 1979

Executive Order No. 11784, 39 Fed.Reg. 19443 (May 30, 1974). That order allows the Secretary of Labor to proscribe regulations for enforcement of section 503, including regulations providing for the waiver of section 503's requirements. Congress's adoption of the separation of enforcement of the two sections, and its apparent willingness to have enforcement of section 504 only in the hands of the department with expertise in dealing with private lawsuits, suggests that its desire for "uniform" enforcement may not have encompassed enforcement techniques. It is also difficult to believe that Congress intended a private cause of action under section 503 since it failed to comment on an Executive Order which allows contracting departments to exempt contracts from the section's provisions.

8. This amendment added a new section, section 505, 29 U.S.C.A. § 794a (West Supp.1979), to the Act, which in relevant part provides:

> In any action or proceeding to enforce or charge a violation of a provision of this subchapter, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs.

Section 505(b), 29 U.S.C.A. § 794a(b).

9. For instance, the House Report states that this part of the amendments "[p]ermits courts to award attorney's fees to successful parties in judicial actions to enforce the provisions of Title V." H.R.Rep.No. 95-1149, 95th Cong.2d Sess. (1978), *reprinted in* [1978] U.S.Code Cong. & Admin.News, pp. 7312, 7313. *See also id.* at 7332.

10. In a report issued September 13, 1979, the Senate Committee on Labor and Human Resources, considering legislation to amend Title VII of the Civil Rights Act of 1964 to prohibit discrimination against individuals because they are handicapped, stated, "the Committee's intent that any handicapped individual aggrieved by a violation of Title V" has the right to proceed in federal court, "and to receive backpay and attorney's fees if successful." Sen. Rep.No. 96-316, 96th Cong., 1st Sess. 12-13 (1979).

is not the committee that recommended the legislation enacted in 1974. Had this statement been made in the report of the committee that recommended the legislation, it would indeed be part of the statutory history. When uttered five years later it is mere commentary. Moreover, a committee is not the Congress. It cannot create a Congressional intent that did not exist, or amend a statute by a report. *Cf. In re Beef Industry Antitrust Litigation*, 5 Cir. 1979, 589 F.2d 786 (opinion of two Congressmen on applicability of House of Representative's rule is not binding on court; rather, court must evaluate rule with attention to practice of entire Congress).

The legislative history of section 503 is void of explanatory statements contemporaneous with its passage. What happened subsequently is either ambiguous, or an assumption not shown to have been warranted; it is also the product of members of a Congress so distant in time from the enacting Congress that we cannot accept their remarks as an accurate expression of the earlier Congress's intent. We must, therefore, rely on whatever may be implicit in the statute.

The strongest argument for implication of a cause of action is that such a right is created by other provisions of the same law. That analogy is false; it attempts to achieve like conclusions from different premises.

The Rehabilitation Act contains both the provision (section 503) requiring federal contracts to obligate contractors to take affirmative action, 29 U.S.C. § 793, and, in the section immediately following, a provision forbidding discrimination in federal grants. The language of the two sections is different:

29 U.S.C. § 793 (§ 503)	29 U.S.C. § 794 (§ 504)
Any contract in excess of $2500 entered into by any Federal department . . . for the procurement of personal property and nonpersonal services . . . shall contain a provision requiring that, in employing persons to carry out such contract the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals. . . .	No otherwise qualified individual in the United States . . . shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance . . . .

A number of courts have held that section 504 creates a private cause of action in favor of qualified handicapped persons discriminated against in programs that receive federal grants. *See, e. g., United Handicapped Federation v. Andre*, 8 Cir. 1977, 558 F.2d 413; *Kampmeier v. Nyquist*, 2 Cir. 1977, 553 F.2d 296, 299; *Lloyd v. Regional Transportation Authority*, 7 Cir. 1977, 548 F.2d 1277; *Davis v. Bucher*, E.D.Pa.1978, 451 F.Supp. 791; *Doe v. New York University*, S.D.N.Y.1978, 442 F.Supp. 522 (dictum); *Barnes v. Converse College*, D.S.C. 1977, 436 F.Supp. 635; *Gurmankin v. Costanzo*, E.D.Pa.1976, 411 F.Supp. 982, *aff'd*, 3 Cir. 1977, 556 F.2d 184. Moreover, in *Cannon v. University of Chicago*, 1979, 441 U.S. 677, 99 S.Ct. 1946, 60 L.Ed.2d 560, the Supreme Court found an implied cause of action in Title IX of the Education Amendments of 1972 for violation of § 901(a) which provides, "No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance."

The parallel in construction between Title IX and section 504 is evident. The differences between this common design and the mandate of section 503 are

equally clear: section 503 does not outlaw discrimination; it requires affirmative action covenants to be inserted in government contracts.

Section 503 also incorporates a specific method of enforcing the contractual provision; contractors who do not abide by their undertaking may be subjected to sanctions by the Department of Labor. The statute expressly discusses administrative enforcement and the regulations emphasize conciliation and persuasion as methods of dispute resolution. *See* 41 C.F.R. § 60–741.26(g)(2). Section 504, on the other hand, does not expressly provide for administrative enforcement.

Save for their common endeavor to aid the handicapped, the two sections have little in common. The words of section 503 convey no message that the same remedies should be available as those afforded for violation of section 504.

The type of assistance afforded by section 503 to aid persons whom the government wishes to benefit by its contracting power has been afforded in the past. Both Executive Order 11246, promulgated in 1965, and its predecessor 10925, promulgated in 1961, required government contractors to agree to include nondiscrimination and affirmative action provisions in their contracts with the Government. We have declined to infer a private cause of action under such an executive order containing language similar to that of section 503. *See Farkas v. Texas Instruments, Inc.*, 5 Cir. 1967, 375 F.2d 629, *cert. denied*, 389 U.S. 977, 88 S.Ct. 480, 19 L.Ed.2d 471 (Exec. Order 10925); *see also Farmer v. Philadelphia Electric Co.*, 3 Cir. 1964, 329 F.2d 3 (Exec. Order 10925 and predecessors); *Traylor v. Safeway Stores, Inc.*, N.D.Cal. 1975, 402 F.Supp. 871 (Exec. Order 11246 as amended by 11375). The rationale of these decisions is that litigation would disrupt the administrative scheme established by the order and the supplementing regulations.

These decisions should have given Congress fair grounds to believe that, when it enacted section 503, federal courts would not infer a private cause of action under it and that, if it intended a different result, it should make its mandate explicit. *Cf. Cannon v. University of Chicago*, 1979, 441 U.S. 696, 698, 99 S.Ct. 1946, 1957–58, 60 L.Ed.2d 575, 576 (uses the interpretation of Title VI at the time Title IX was enacted to divine Congressional intent concerning Title IX). Indeed, the Executive Order is referred to in the scant legislative history of section 503.

Moreover, our court, like others, has generally not inferred private causes of action under statutes regulating employee-employer relationships. *See, e. g., Jeter v. St. Regis Paper Co.*, 5 Cir. 1975, 507 F.2d 973 (no private right of action under Occupational Health and Safety Act, 29 U.S.C. §§ 651–678); *Martinez v. Behring's Bearings Service, Inc.*, 5 Cir. 1974, 501 F.2d 104 (no private right of action for wrongful death under Fair Labor Standards Act, 29 U.S.C. § 215(a)(3)); *Flores v. George Braun Packing Co.*, 5 Cir. 1973, 482 F.2d 279 (no implied right against employer for deprivation of job based on illegal employment of foreign nationals under Immigration and Nationality Act, 8 U.S.C. §§ 1101(a)(15)(A)(ii), 1182(9)(14), 1324); *Breitwieser v. KMS Industries, Inc.*, 5 Cir. 1972, 467 F.2d 1391, *cert. denied*, 1973, 410 U.S. 969, 93 S.Ct. 1445, 35 L.Ed.2d 705, (no implied right of action to bring a wrongful death action under child labor provisions of Fair Labor Standards Act, 29 U.S.C. § 212); *United States v. Lovknit Manufacturing Co.*, 5

Cir. 1951, 189 F.2d 454, *cert. denied*, 342 U.S. 896, 72 S.Ct. 229, 96 L.Ed. 671 (no implied right of action under Walsh-Healey Act, 41 U.S.C. §§ 35–45; dictum).

C. *Is it consistent with the underlying purposes of the legislative scheme to imply such a remedy for the plaintiff?*

[17] As we have already indicated in differentiating section 503 from both section 504 and Title IX, Congress provided a complete administrative scheme to remedy Section 503 violations. The implementing regulations, set forth at length in the footnote, provide explicit details for the operation of that plan.[11] The administrative emphasis is on "conciliation and persuasion" and on "informal means" of resolution. The regulations make no provision for a private cause of action, suggesting that a private judicial remedy may be difficult to harmonize with the administrative enforcement framework. In addition, Title IX contained a provision for the award of attorney's fees, passed contemporaneously with the act, which indicated that the very Congress that passed the law believed a private cause of action existed. No corresponding reason exists to buttress the thesis that section 503 was intended to authorize private litigation.

[18] The provision of an express administrative remedy for qualified handicapped persons creates at least some basis to conclude that a private right of action would be inconsistent with the purposes of the legislative scheme.[12] As the Supreme Court has noted, "This principle of statutory construction reflects an ancient maxim—*expressio unius est exclusio alterius*." *National Railroad Passenger Corp. v. National Association of Railroad Passengers*, 1974, 414 U.S. 453, 458, 94 S.Ct. 690, 693, 38 L.Ed.2d 646, 652. "[W]hen legislation expressly provides a particular remedy or remedies, courts should not expand the coverage of the statute to subsume other remedies," the Court reasoned. *Id.* For, " '[w]hen a statute limits a thing to be

11. 41 C.F.R. § 60–741–4 provides:

§ 60–741.4 Affirmative action clause.

Each agency and each contractor and subcontractor shall include the following affirmative action clause in each of its covered government contracts or subcontracts (and modifications, renewals, or extensions thereof if not included in the original contract).

AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS

(a) The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(c) In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.

12. A strange argument is made by the Office of Federal Contract Compliance Programs in other cases, and relied upon to some degree by the dissent, that a private cause of action should be implied because the executive branch lacks personnel to perform its duty and that, therefore, the Third Branch should supply the need.

done in a particular mode, it includes the negative of any other mode.' *Botany Worsted Mills v. United States*, 278 U.S. 282, 289, 49 S.Ct. 129, 132, 73 L.Ed. 379 (1929)." *Id. See also Transamerica Mortgage Advisors, Inc. v. Lewis*, 1979, —— U.S. ——, ——, 100 S.Ct. 242, 247, 62 L.Ed.2d 146, 155 ("where a statute expressly provides a particular remedy or remedies, a court must be chary of reading others into it.").

To determine the message to be found in the void of express Congressional statement, we resort neither to our own notions of sound policy nor to our concept of what best suits the public weal.

[19] Where there is silence, as *Cannon* commands, we seek for affirmative evidence of Congressional intent. Silence may indicate only that the question never occurred to Congress at all, or it may reflect mere oversight in failing to deal with a matter intended to be covered, or it may demonstrate deliberate obscurity to avoid controversy that might defeat the passage of legislation, or it may, indeed, be a result merely of an assumption by Congress that the courts would recognize a private cause of action. The issue is not whether, on the merits, balancing on-the-one-hand with on-the-other, advocates of judicial remedies have a better case than opponents, but whether, considering the purpose and function of the statute and its legislative history, we can find a legislative intent to recognize a judicial remedy.

[20] The task does not lend itself to certitude or dogmatism. Yet principle can shed helpful light even if not the clarity necessary for absolute confidence. The standard is that those who contend a statute has endowed them with a cause of action must establish their proposition. The appellants have not shown that section 503 presents the "atypical situation in which *all* of the circumstances that the Court has previously identified as supportive of an implied remedy are present," *Cannon v. University of Chicago*, 1979, 441 U.S. 677, 717, 99 S.Ct. 1946, 1968, 60 L.Ed.2d 560, 587, or even that sufficient of them attended its enactment to warrant the implication.

[21] For these reasons, we decline to do judicially what Congress has not done legislatively, and we AFFIRM both judgments.

GOLDBERG, Circuit Judge, dissenting.

I respectfully dissent.

The issue presented in this case is one of first impression in the appellate courts. We have been asked to decide whether there exists a private right of action in the federal courts under § 503 of the Rehabilitation Act of 1973 (the Act), *as amended*, 29 U.S.C.A. § 793 (West 1975 and Supp.1979), in favor of qualified handicapped individuals who allege that they were victims of handicap-based discrimination in their employment with federal contractors.[1] This question is, I think, one of great significance both

1. The district courts which have considered this question are fairly evenly divided. Those finding no right of action, including both of the courts below, are: *Anderson v. Erie Lackawanna Railway Co.*, 468 F.Supp. 934 (E.D.Ohio 1979); *Wood v. Diamond State Telephone Co.*, 440 F.Supp. 1003 (D.Del.1977); *Moon v. Roadway Express, Inc.*, 439 F.Supp. 1308 (N.D.Ga. 1977); *Rogers v. Frito-Lay*, 433 F.Supp. 200 (N.D.Tex.1977). Favoring implication are *Hart v. County of Alameda*, —— F.Supp. —— (N.D. Cal., 1979); *Duran v. City of Tampa*, 430 F.Supp. 75 (M.D.Fla.1977); *Drennon v. Philadelphia General Hospital*, 428 F.Supp. 809 (E.D.Pa.1977).

for the millions of handicapped individuals who have waited and labored to see their right to equal treatment established in the law along with the rights of other groups who have been victims of invidious discrimination and also for the jurisprudence of implied private rights of action. I will therefore set forth in some detail my reasons for reaching a conclusion contrary to that reached by my brethren, but it is important to recognize from the outset certain factors which set this case apart from the run-of-the-mill situation in which courts are required to decide whether a private right of action inheres in a statute not explicitly creating one.

First, the Supreme Court has observed that "the legislative history of a statute that does not expressly create or deny a private right of action will typically be equally silent or ambiguous on the question." *Cannon v. University of Chicago*, 441 U.S. 677, 99 S.Ct. 1946, 1956, 60 L.Ed.2d 560 (1979). Untypically, however, the history of the legislative consideration of § 503 contains direct evidence of a congressional intent that a private cause of action is to be found implicit in the statute. While these statements were not contemporaneous with the passage of the Act, I will show that settled judicial authority requires that we give great weight to such indications of congressional intent and that this case is a particularly appropriate one for doing so.

Second, both the Department of Labor and its Office of Federal Contract Compliance Programs (OFCCP)—the agency charged with administering § 503—have taken the position that a private cause of action exists under § 503; that such a cause of action is not inconsistent with the congressional purposes underlying the Act and, rather than hindering the Act's administrative enforcement scheme, will assist it; and that exhaustion of administrative remedies should not be required in every case.[2] There is thus little room for judicial second-guessing of the impact of a private cause of action on the congressionally-established administrative enforcement scheme.

When these and all the other relevant factors are considered within the analytical framework established by *Cort v. Ash*, 422 U.S. 66, 95 S.Ct. 2080, 2088, 45 L.Ed.2d 26 (1975), and refined in more recent decisions, *see, e. g., Transamerica Mortgage Advisors, Inc. v. Lewis*, —— U.S. ——, 100 S.Ct. 242, 62 L.Ed.2d 146 (1979) (*TAMA*); *Touche Ross & Co. v. Redington*, 442 U.S. ——, 99 S.Ct. 2479, 61 L.Ed.2d 82 (1979); *Cannon v. University of Chicago, supra*, I think the correct answer to our question is easily fathomed: § 503 creates a private right of action in the federal courts, without a requirement that administrative remedies be exhausted in every case.

Because litigation under § 503—even the concept of handicap discrimination itself—is relatively new to the federal courts, some background regarding that section and the claims involved here will be helpful. Section 503(a) of the Act, in pertinent part, requires that contracts

2. The Department of Labor and the OFCCP have taken these positions in litigation in the District Court for the Southern District of New York, *Phyllis Chapman v. Consolidated Edison Company of New York, Inc.*, (No. 79-Civ.-0730 (MEL)). The National Center for Law and the Handicapped, Inc., *Amicus Curiae* in this case, has submitted to this court copies of the brief submitted there on behalf of the United States and of the affidavit of Weldon J. Rougeau, Director of the OFCCP. Both these documents support the positions set out in the text. The affidavit of Mr. Rougeau is included as an Appendix to this opinion.

"in excess of $2,500 entered into by any Federal department or agency for the procurement of personal property and nonpersonal services . . . for the United States shall contain a provision requiring that, in employing persons to carry out such contracts the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals as defined" in the Act. Section 503(b) provides an administrative complaint mechanism permitting any handicapped individual who believes any contractor is not in compliance with such contract to file a complaint with the Department of Labor.[3] OFCCP has authority for administration of this section and has promulgated regulations. *See* 41 C.F.R. Part 60–741 (1978).

The regulations require that federal agencies insert in all covered contracts a clause stating, *inter alia*, "The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified." 41 C.F.R. § 60–741.4 (1978). These regulations also permit individuals to file complaints with the agency, alleging that a violation of the Act or regulations has occurred, and establish the procedures by which the agency itself investigates and attempts to resolve the complaint. *See* 41 C.F.R. § 60–741.26 (1978). While the agency has stipulated that proven violations "should be resolved by informal means, including conciliation and persuasion, whenever possible," the regulations provide other enforcement procedures in case these informal means fail, including judicial enforcement of the contractual provisions, the withholding of progress payments, termination of the contract, and debarment of the contractor. *See* 41 C.F.R. § 60–741.28 (1978). In cases where informal resolution fails, however, none of these mecha-

3. The full text of the relevant portions of Section 503, 29 U.S.C.A. § 793 (West 1975 and Supp.1979), is set out below:

(a) Any contract in excess of $2,500 entered into by any Federal department or agency for the procurement of personal property and nonpersonal services (including construction) for the United States shall contain a provision requiring that, the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals as defined in section 706(7) of this title. The provisions of this section shall apply to any subcontract in excess of $2,500 entered into by a prime contractor in carrying out any contract for the procurement of personal property and nonpersonal services (including construction) for the United States. The President shall implement the provisions of this section by promulgating regulations within ninety days after September 26, 1973.

(b) If any handicapped individual believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to employment of handicapped individuals, such individual may file a complaint with the Department of Labor. The Department shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant, consistent with the terms of such contract and the laws and regulations applicable thereto.

Section 503(c), not involved in this case, allows the President to waive the application of § 503 when "special circumstances in the national interest so require."

A "handicapped individual" for purposes of this section is defined in 29 U.S.C.A. § 706(7)(8) (West Supp.1979) as "any person who (i) has a physical or mental impairment which substantially limits one or more of such person's major life activities, (ii) has a record of such impairment, or (iii) is regarded as having such an impairment." *See also* 41 C.F.R. § 60–741.2 and Appendix A (1978) (Regulations and Guidelines of Office of Federal Contract Compliance Programs).

nisms is clearly geared to produce individual relief for the complainant.[4]

To illustrate the type of claim that may be raised under § 503 and to show how this particular claim was handled, I set forth the facts presented by Howard L. Moon, the appellant in No. 77-3263.[5] Mr. Moon was employed as Terminal Manager by defendant/appellee Roadway Express, Inc. (Roadway), a federal contractor covered by § 503. On August 3, 1974, while still employed by Roadway, Mr. Moon was injured in an automobile accident and, as a result, his left leg was amputated. He returned to work with Roadway in June, 1975, where he remained until he was terminated on February 18, 1977, missing only one day at work during that time. Since his termination, Mr. Moon has been unemployed.

Mr. Moon filed a complaint with the OFCCP on April 15, 1977, charging that his termination was in violation of § 503. On May 15, 1978, the OFCCP released the results of its investigation, stating:

> Investigation by this department indicated that the contractor terminated the complainant from employment because of his handicapping condition although the complainant continually demonstrated that he could perform the duties of Terminal Manager. The contractor has refused to reasonably accommodate the complainant with employment, and has therefore violated its obligations under the affirmative action provisions.

The OFCCP further invited Roadway to join it in attempting an informal resolution of the matter.

Nevertheless, Mr. Moon received a letter from the OFCCP on November 9, 1979, informing him that the Solicitor's Office, to which his case file had been forwarded, had returned the file and advised that "they will take no further action on your complaint. Therefore, we are administratively closing it." Mr. Moon was told he might write the Director of OFCCP seeking reconsideration of this determination: "the Director . . . *may*, for reasonable cause, reconsider or order the reconsideration of this determination." (emphasis supplied)

I

Only a cave dweller or other layman would not realize that there has been a remarkable change of attitude by the Supreme Court regarding the inference of private rights of action in the last fifteen years. *Compare J. I. Case Co. v. Borak*, 377 U.S. 426, 84 S.Ct. 1555, 12 L.Ed.2d 423 (1964) *with Touche Ross & Co. v. Redington*, 442 U.S. ——, 99 S.Ct. 2479, 61 L.Ed.2d 82 (1979). The Court has recently come to emphasize that "what must ultimately be determined is whether Congress intended to create the private remedy asserted" and, consequently, that the question is "basically a matter of statutory construction." *TAMA, supra*, 100 S.Ct. at 245; *Touche Ross & Co. v. Redington, supra*, 99 S.Ct.

4. The administrative enforcement scheme is discussed in more detail in Part I.C. *infra*.

5. Because appellant Moon's action was dismissed for failure to state a claim, the facts were not fully developed below. However, for purposes of this exposition, the allegations of the complaint have been taken as true and additional facts have been gleaned from appellant's brief and from letters to appellant from the OFCCP regarding the handling of his administrative complaint.

Mildred Rogers, the appellant in No. 77-2443, also premised her action on a claim of discriminatory firing. She brought her suit as a class action.

at 2485; *Cannon v. University of Chicago, supra*, 99 S.Ct. at 1953 (1979). To me, this basic insight appears eminently wise. "Federal courts are not common law courts of general jurisdiction." Majority Opinion at ——, slip op. at 3238. Our interpretation of a statute is not an occasion for our exercise of our own notions as to what we think Congress ought to have done, but rather an opportunity to give effect to that which Congress did in fact attempt to do. But there is no magic in the insight that our task is one of statutory construction, capable of vanishing the often almost intractable problems courts face in a case such as the present one. While this insight does help to focus our inquiry,[6] it is quite often true, from the nature of the case, that when a court must decide whether a statute contains an implied remedy, the ordinary indicia of congressional intent will be of little assistance. If, for example, Congress made its intent to allow private actions explicit in the statute, there would be no need for litigation such as that before us. Nevertheless, the Supreme Court continues to make it clear that even in such cases as these courts are to find implied remedies when persuasive evidence of Congressional intent supports them. *See, e. g., Cannon v. University of Chicago, supra.* Furthermore,

> [W]hile the absence of anything in the legislative history that indicates an intention to confer any private right of action is hardly helpful to the respondent, it does not automatically undermine his position. This Court has held that the failure of Congress expressly to consider a private remedy is not inevitably inconsistent with an intent on its part to make such a remedy available. *Cannon v. University of Chicago, supra*, 99 S.Ct. at 1953. Such an intent may appear implicitly in the language or structure of the statute, or in the circumstances of its enactment.

TAMA, supra, 100 S.Ct. at 246. A court's quest must thus always be for the elusive beast, congressional intent. And it must be emphasized that courts are guilty of judicial legislation not only when they do that which Congress has not authorized, but also when they refuse to give effect to the congressional purpose.

The Supreme Court has established an analytical framework designed to drive from the brush the congressional intent regarding the establishment of an implied remedy under a statute. *See Cort v. Ash*, 422 U.S. 66, 95 S.Ct. 2080, 2088, 45 L.Ed.2d 26 (1975). When we apply the four factors *Cort* identifies as "relevant" to the inquiry at hand,[7] we must

6. The recognition that our task is statutory construction tells us, for instance, that we cannot recognize the doctrine of "statutory torts." *See Touche Ross & Co. v. Redington, supra*, 99 S.Ct. at 2485. *See generally* Note, *Implied Rights of Action to Enforce Civil Rights: The Case for a Sympathetic View*, 87 Yale L.J. 1378, 1383 (1978). This recognition tells us further that, in the absence of some indication that Congress intended an implied remedy, the mere fact that such a remedy might be useful in enforcing the statutory goals will be of little significance. *See TAMA, supra*, 100 S.Ct. at 249; *Touche Ross & Co. v. Redington, supra*, 99 S.Ct. at 2489.

7. In determining whether a private remedy is implicit in a statute not expressly providing one, several factors are relevant. First, is the plaintiff "one of the class for whose *especial* benefit the statute was enacted," *Texas & Pacific R. Co. v. Rigsby*, 241 U.S. 33, 36 S.Ct. 482, 484, 60 L.Ed. 874 (1916) (emphasis supplied)—that is, does the statute create a federal right in favor of the plaintiff? Second, is there any indication of legislative intent, explicit or implicit, either to create such a reme-

do so with our eyes wide open and in such a manner as to be most sensitive to that which we seek: persuasive evidence of congressional purpose. I cannot agree more that courts must avoid "mechanical adherence" to a "multi-part test." Maj. Op. at ——, slip op. at 3238. But because I believe the majority has applied the analytical framework of *Cort* too restrictively—at times even too mechanically—to the circumstances of the present case, I must state my disagreement.

Particularly relevant to my conclusion is the decision in the *Cannon* case. The Supreme Court there held that a private cause of action existed under § 901(a) of Title IX of the Education Act Amendments of 1972 (Title IX), 20 U.S.C.A. § 1681(a) (West 1978).[8] Although the

dy or to deny one? *See, e. g., National Railroad Passenger Corp. v. National Assn. of Railroad Passengers*, 414 U.S. 453, 458, 460, 94 S.Ct. 690, 693, 694, 38 L.Ed.2d 646 (1974) (Amtrak). Third, is it consistent with the underlying purposes of the legislative scheme to imply such a remedy for the plaintiff? *See, e. g., Amtrak, supra; Securities Investor Protection Corp. v. Barbour*, 421 U.S. 412, 423, 95 S.Ct. 1733, 1740, 44 L.Ed.2d 263 (1975); *Calhoon v. Harvey*, 379 U.S. 134, 85 S.Ct. 292, 13 L.Ed.2d 190 (1964). And finally, is the cause of action one traditionally relegated to state law, in an area basically the concern of the States, so that it would be inappropriate to infer a cause of action based solely on federal law? *See Wheeldin v. Wheeler*, 373 U.S. 647, 652, 83 S.Ct. 1441, 1445, 10 L.Ed.2d 605 (1963); *cf. J. I. Case Co. v. Borak*, 377 U.S. 426, 434, 84 S.Ct. 1555, 1560, 12 L.Ed.2d 423 (1964); *Bivens v. Six Unknown Federal Narcotics Agents*, 403 U.S. 388, 394–395, 91 S.Ct. 1999, 2003–2004, 29 L.Ed.2d 619 (1971) *id.*, at 400, 91 S.Ct. 1999, 2003–2004, 29 L.Ed.2d 619 (1971) *id.*, at 400, 91 S.Ct. at 2006 (Harlan, J. concurring in judgment).

Cort v. Ash, supra, 95 S.Ct. at 2088.

8. Section 901(a) of Title IX provides in pertinent part:

> No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

In *Cannon*, the Court analyzed this provision and its legislative history under the framework set forth in *Cort v. Ash, supra*. It found that all four factors supported implication of a private cause of action. *Cannon, supra*, 99 S.Ct. at 1964. Particularly compelling was the fact that Congress explicitly patterned this provision on Title VI of the Civil Rights Act of 1964, 42 U.S.C.A. § 2000d (Title VI), which Congress understood in 1972 as having created a private right of action. *See id.* at 1958–1960.

Title VI provides in pertinent part:

> No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

In one of the first court of appeals decisions after *Cannon*, the third circuit followed it and *Cort v. Ash, supra*, to find private rights of action under both Title VI and § 503's sister provision, § 504 of the Rehabilitation Act, 29 U.S.C.A. § 794 (West Supp.1979). *See NAACP v. Medical Center, Inc.*, 599 F.2d 1247 (3d Cir. 1979). In its Title VI holding, *NAACP* was in accord with its numerous predecessors, discussed in *Cannon, supra*, 99 S.Ct. at 1957–58 & n.21. Its § 504 holding, the court believed, was compelled by its Title VI holding: "Section 504 is virtually identical to Title VI and was consciously intended by Congress to track that statute." *NAACP, supra*, 599 F.2d at 1258. That conclusion was not without its antecedents. *See, e. g., Doe v. Colautti*, 592 F.2d 704 (3d Cir. 1979), amended (Feb. 23, 1979); *Davis v. Southeastern Community College*, 574 F.2d 1158 (4th Cir. 1978), *rev'd on other grounds*, — U.S. ——, 99 S.Ct. 2361, 60 L.Ed.2d 980 (1979); *United Handicapped Federation v. Andre*, 558 F.2d 413 (8th Cir. 1977); *Gurmankin v. Costanzo*, 556 F.2d 184 (3d Cir. 1977); *Kampmeier v. Nyquist*, 553 F.2d 296 (2nd Cir. 1977); *Lloyd v. Regional Transportation Authority*, 548 F.2d 1277 (7th Cir. 1977). *But see Tragser v. Libbie Rehabilitation Center, Inc.*, 590 F.2d 87 (4th Cir. 1978), *cert. denied*, — U.S. ——, 99 S.Ct. 2895, 61 L.Ed.2d 318 (1979) (no private right of action to challenge employment discrimination under § 504).

language of that statute is quite different from that of § 503 of the Rehabilitation Act,[9] much evidence shows that Congress' intent regarding the enforcement of each statute was roughly the same,[10] and many parallels do in fact exist between the enforcement mechanisms established under them.[11] While *Cannon* does not control the disposition of this case, it is in many ways a pathfinder for those of us who must wind our way through the thickets of legislative history, the tundra of administrative implementation, and the timeworn plains of judicial precedent. But one must also recognize that *Cannon* is not the benchmark for the evaluation of whether or not Congress intended to create an implicit private right of action. As the Supreme Court pointed out, "Title IX presents the atypical situation in which *all* the circumstances that the Court has previously identified as supportive of an implied remedy are present." *Cannon, supra*, 99 S.Ct. at 1968. Nevertheless, application of the analytical concepts of *Cannon* to § 503 compels my finding of an implied remedy.[12]

A.

The first inquiry is whether the plaintiff is " 'one of the class for whose *especial* benefit the statute was enacted' . . . that is, does the statute create a federal right in favor of the plaintiff?" *Cort v. Ash, supra*, 95 S.Ct. at 2088. The thrust of this inquiry, as it bears on the legislative intent, is to determine whether, in passing the statute, Congress intended to benefit a clearly defined class—that is, to create protections in the federal law for them—and not to enact the law "for the protection of the general public." *Cannon, supra*, 99 S.Ct. at 1954. This inquiry is a necessary one, for, if Congress did not intend to benefit a special class to which the plaintiffs

In reversing *Davis, supra*, the Supreme Court pretermitted the implied right of action issue. *See* 99 S.Ct. at 2366 n.5.

Section 504 states, in relevant part:

> No otherwise qualified handicapped individual in the United States, as defined in section 706(7) of this title, shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance or under any program or activity conducted by any Executive agency or by the United States Postal Service. . .

9. *Compare* 29 U.S.C.A. § 793 (West 1975 and Supp.1979) *with* 20 U.S.C.A. § 1681(a) (West 1978). The significance of this difference is discussed in Part A *infra*.

10. *See* Part B *infra*.

11. *See* Part C *infra*.

12. It is important to note the special place civil rights statutes have held in the implication doctrine. In *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, 98 S.Ct. 1670, 1678, 56 L.Ed.2d 106 (1978), the Supreme Court stated, "[w]e have frequently recognized the propriety of inferring a federal cause of action for the enforcement of civil rights, even when Congress has spoken in purely declaratory terms. *See, e. g., Jones v. Alfred H. Mayer Co.*, 392 U.S. 409, 414 n.13, 88 S.Ct. 2186 n.13, 20 L.Ed.2d 1189 (1968); *Sullivan v. Little Hunting Park, Inc.*, 396 U.S. 229, 238–40, 90 S.Ct. 400, 405–6, 24 L.Ed.2d 386 (1969)." *See also Cannon, supra*, 99 S.Ct. at 1955 n.13. Commentators have also taken note of this special treatment. *See* Note, *Implied Rights of Action to Enforce Civil Rights: The Case for a Sympathetic View*, 87 Yale L.J. 1378 (1978); Karst, *Federal Remedies*, 54 U.Det.J.Urb.L. 1025 (1977); Sheldon & Berndt, *Sex Discrimination in Vocational Education: Title IX and Other Remedies*, 62 Calif.L.Rev. 1121 (1974). While this background does not alter my application of the *Cort* criteria, I believe that it requires a court to undertake its inquiry regarding the implication of a private cause of action under this civil rights statute with an especially sympathetic eye.

belong, but intended instead to benefit the public generally, it is inherently less likely that Congress intended to create a private remedy which was not explicitly specified in the statute; else the whole criminal code, for example, might be found to have an implicit civil counterpart. *See Cort v. Ash, supra*, 95 S.Ct. at 2088–89. Properly conceived, this inquiry is a "threshold question." *Cannon, supra*, 99 S.Ct. at 1953. I would conclude, as has every district court to examine § 503 in this context,[13] that § 503 reaches the threshold.

Recent Supreme Court cases make it clear that our question is answerable "by looking to the language of the statute itself." *Id. See TAMA, supra*, 100 S.Ct. at 245; *Touche Ross & Co. v. Redington, supra*, 99 S.Ct. at 2489. In explaining the application of this factor in *Cannon*, the Court used as one illustration the language involved in the early case of *Texas & Pacific R. Co. v. Rigsby*, 241 U.S. 33, 36 S.Ct. 482, 60 L.Ed. 874 (1916):

> [T]he statutory reference to "any employee of any such common carrier" in the 1893 legislation requiring railroads to equip their cars with secure "grab irons or handholds," see 27 Stat. 531, 532, made "irresistible" the Court's earliest "inference of a private right of action,"—in that case in favor of a railway employee who was injured when a grab iron gave way.

Cannon, supra, 99 S.Ct. at 1953.[14] Thus, to determine whether § 503 benefits a special class, we must ascertain whether it "expressly identifies the class Congress intended to benefit" and is drafted "with an unmistakable focus on the benefited class." *Id.* at 1954–55.

The language of § 503 meets this test. Section 503(a) mandates that contracts made for the federal government must contain clauses requiring the contractor, "in employing persons to carry out such contract," to "take affirmative action to employ and advance in employment qualified handicapped individuals." Furthermore, § 503(b) authorizes "any handicapped individual" to file a complaint with the Department of Labor when he or she believes the contractor has failed to comply with his obligations, and the complaints authorized include individual complaints of discrimination.[15] Taken

13. *See, e. g., Hart v. County of Alameda, supra*, — F.Supp. at ———; *Anderson v. Erie Lackawanna R. Co., supra*, 468 F.Supp. at 936; *Wood v. Diamond State Tel. Co., supra*, 440 F.Supp. at 1008; *Moon v. Roadway Express, Inc., supra*, 439 F.Supp. at 1309; *Rogers v. Frito-Lay, supra*, 433 F.Supp. at 202.

14. The section of the statute to which the Court referred states: "any employee of any such common carrier who may be injured by any locomotive, car or train in use contrary to the provision of this act shall not be deemed thereby to have assumed the risk . . . ." 27 Stat. 532.

15. It is of no significance to the issue at hand that § 503 fails to mention explicitly the nondiscrimination component implicit in its affirmative action requirement. Common sense tells us that "affirmative action" is a more comprehensive concept, which of necessity incorporates a duty of nondiscrimination. As was stated in *Southern Illinois Builders Ass'n v. Ogilvie*, 471 F.2d 680, 684 (7th Cir. 1972), "The obligation to take affirmative action imparts more than the negative obligation not to discriminate." *See also Mele v. Dept. of Justice*, 395 F.Supp. 592, 594–95 (D.N.J.1975), *aff'd sub nom. Mele v. E.E.O.C.*, 532 F.2d 747 (3d Cir. 1976).

Further, the OFCCP regulations require that the "affirmative action" clause in the contract state, "The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified." 41 C.F.R. § 60–741.4 (1978). *See id.* at § 60–741.5(c)(4) (adoption of affirmative action program does not "relieve a contractor from liability for discrimination under the Act.")

together, these elements of § 503 focus unmistakably on the class benefited, a class in which appellants have alleged their membership; the language of § 503 is at least as favorable to implication as the language involved in *Rigsby*, which, as I have noted, the Court approved in *Cannon*.

Despite this fact, the majority suggests that more may be required of the statutory language before we may look favorably upon the question of inferring a private cause of action. Virtually ignoring the first half of the *Cort* formulation which tells us to ask whether the statute was enacted for the "especial benefit" of the plaintiff class, the majority seizes upon the second half—which asks whether a "federal right" was created in favor of the class. It then relies heavily upon the statement in *Cannon* that "the right—or duty—creating language of the statute has generally been the most accurate indicator of the propriety of implication of a cause of action." *Cannon, supra*, 99 S.Ct. at 1954 n. 13. Clearly, as the majority points out, the language of § 503 does not fit neatly into the pattern the Court identified in *Cannon* as the most fertile field for implication.[16] But equally clearly, I think, the Court did not intend to require a statute to incorporate some talismanic incantation before it can be deemed to create a federal right for its intended beneficiaries. We should look to the substance of the obligations created by the statute and not wear the kind of judicial blinders that force us to exalt the form of language over its content. After all, the Supreme Court has told us only that a particular form of language may be the "most accurate indicator" of whether an implied remedy is present; it did not make that form a *sine qua non*. When the statutory language falls into the pattern identified in *Cannon*, it may itself provide direct evidence of congressional intent to create an implied remedy. When it does not, but nevertheless reveals a clear intent to benefit the plaintiff class, other indicia of congressional intent must be considered. *See TAMA, supra*, 99 S.Ct. at 245–46. As evidence of the congressional intent present in § 503, I propose to examine whether or not it may fairly be read as

Finally, the legislative history furnishes abundant evidence that Congress intended § 503 to be an antidiscrimination provision. In the report accompanying the bill which became the Rehabilitation Act, for example, the Senate Committee on Labor and Public Welfare characterized § 503(b) as an antidiscrimination measure: "The bill further provides that a handicapped individual who has a discrimination complaint against a Federal contractor may file a complaint with the Department of Labor." S.Rep.No.93-318, 93d Cong., 2d Sess., *reprinted in* [1973] U.S.Code Cong. & Admin.News, pp. 2076, 2123. The reports accompanying the earlier versions of the Act, *see* note 19 *infra*, contained virtually identical language. *See* S.Rep.No.92-1135, 92d Cong., 2d Sess. 49 (1972); S.Rep.No.93-48, 93rd Cong., 1st Sess. 53 (1973).

16. *Cannon* identified statutes like Title IX ("No person shall be excluded . . . ." 20 U.S.C.A. § 1681 (West 1978)) and § 5 of the Voting Rights Act ("No person shall be denied . . ." 42 U.S.C.A. § 1973c (West Supp.1979)) as containing the type of language most conducive to judicial inference of a private action. *See* 99 S.Ct. at 1954 n.13. Interestingly, however, it included in its list of prototypical statutes that involved in *Texas & Pac. R. Co. v. Rigsby, supra*. As note 14 *supra* shows, this statute was not explicitly declarative of a federal right, but merely stated that railroad employees injured by the company's violation of the statute were not to be deemed to have assumed the risk of such injuries.

creating a "federal right" in favor of the plaintiff class. I think it can.

First, § 503(a) *requires* the affirmative action clause to be incorporated in all covered contracts. While the obligation may be contractual, it is not a bargained term. Contractors must agree to it to do business with the federal government. In fact, the OFCCP regulations provide that whether or not the affirmative action clause is physically incorporated into the contract or whether or not the contract is even a written one, the clause shall be deemed a part of the contract by "operation of the Act." 41 C.F.R. § 60–741.23 (1978). Thus, in operation, § 503 is very much like Title VI or Title IX—with their explicit declarations of policy. Indeed, the Department of Health, Education and Welfare (HEW) requires contractual assurances under those provisions. *See* 45 C.F.R. §§ 80.4 & 86.4 (1978).[17]

Second, as noted, § 503(b) permits the intended beneficiaries of the Act to invoke its protections by filing an administrative complaint. These provisions make § 503 in its entirety both more and less than Title IX in terms of the explicit conferral of a benefit on the beneficiary class. While it is only indirectly declarative of the federal policy, it explicitly

17. I do not believe that it is an insuperable obstacle to the inference of a private right of action under § 503 that the affirmative action obligation is to be assumed contractually. In *McDaniel v. University of Chicago*, 548 F.2d 689 (7th Cir. 1977), where the court concluded that the plaintiff class of laborers and mechanics were the special beneficiaries of the Davis-Bacon Act, 40 U.S.C. § 276a *et seq.*, the court reasoned as follows:

> The Davis-Bacon Act by its terms mandates that the contract between the federal government and the contractor provide that laborers and mechanics hired by the contractor be paid the minimum wages determined by the Secretary of Labor to be prevailing for the corresponding class of laborers in the locality. The laborer is not only the principal beneficiary of the statute, but also the third-party beneficiary of a contract provided for by the statute.

548 F.2d at 693.

Furthermore, in *Lau v. Nichols*, 414 U.S. 563, 94 S.Ct. 786, 789, 39 L.Ed.2d 1 (1974), the Court, in granting relief to plaintiffs under Title VI, relied in part upon the fact that some of the affirmative duties to which plaintiffs sought to hold defendants were assumed in a funding contract between defendants and HEW. Moreover, Justice Stewart in his concurrence noted somewhat cryptically that "respondents do not contest the standing of petitioners to sue as beneficiaries of the federal funding contract." *Id.* at 790 n.2. *Lau* is often cited for the proposition that a private cause of action exists under Title VI. *See, e. g., NAACP v. Medical Center, supra*, 599 F.2d at 1256. *Cf. Lloyd v. Regional Transportation Authority, supra*, 548 F.2d at 1287 n.31. (Finding private right of action under § 504 of the Act, noting the aspect of *Lau* discussed above and suggesting that on remand plaintiffs might in discovery seek to ascertain whether such agreements existed there between defendants and federal agencies). And this circuit in *Bossier Parish School Board v. Lemon*, 370 F.2d 847, 850–51 (5th Cir. 1967), *cert. denied*, 388 U.S. 911, 87 S.Ct. 2116, 18 L.Ed.2d 1350 (1967), afforded some not easily definable significance to "contractual assurances" between the federal government and the defendant school board for the benefit of members of plaintiff's class in allowing plaintiffs to bring a private desegregation action under Title VI and the 14th Amendment.

Finally, in finding that § 215 of the Investment Advisors Act of 1940, 15 U.S.C. § 806–15, contained an implied remedy of recission of contracts declared "void" by that section, the Supreme Court held that the suit for recission could be brought in federal court—despite the fact that such suits for recission of a contract would traditionally be relegated to the state courts. *See TAMA, supra*, 100 S.Ct. at 246–47 & n.8. Thus, while the right of action argued for here arises from § 503 itself, plaintiffs might be held to have a right to sue in federal court as third-party beneficiaries of the contract mandated by § 503(a).

provides for an individual right of relief.[18]

Looking at all these circumstances realistically, I think we should find that § 503 establishes protections in the federal law for qualified handicapped individuals and indicates that Congress meant these rights to vest on individual discriminatees. The structure and substance of the statute create the federal right the majority requires. While the language of § 503 does not fit the pattern most favorable for finding an implied remedy and it is appropriate to scrutinize closely the other factors relevant to the question of the congressional intent, I nevertheless would find that "the threshold question under *Cort*," *Cannon, supra*, 99 S.Ct. at 1946, is squarely met here.

B.

If the first *Cort* factor casts only an oblique light on congressional intent to create an implied remedy, the second factor illuminates the question directly. The inquiry here searches for "any indication of legislative intent, explicit or implicit, either to create such a remedy or to deny one." *Cort v. Ash, supra*, 95 S.Ct. at 2088. The Supreme Court has told us that this factor "requires consideration of legislative history." *Cannon, supra*, 99 S.Ct. at 1956.

To say that the history of the legislative consideration and elucidation of the Act is complex is to be guilty of an understatement more daring, perhaps, than even a Hemingway would risk.[19] The cases require, however, that a court wind its way, Theseus-like, through its labyrinthine corridors of vetoes, amend-

18. The express provision of an individual complaint mechanism in § 503(b) differentiates § 503 from the type of provision set out in *Cannon, supra*, 99 S.Ct. 1955–56 n.14, which the Court characterized as a "simple directive" and to which the majority in this case has suggested § 503 is analogous. The provision discussed in *Cannon* provided:

> The Secretary shall not make any grant, loan guarantee, or interest subsidy payment, nor shall the Secretary enter into any contract with any institution of higher education, or any other postsecondary institution, center, training center, or agencies representing such institutions unless the application, contract, or other arrangement for the grant, loan guarantee, interest subsidy payment, or other financial assistance contains assurances satisfactory to the Secretary that any such institution, center, or agency will not discriminate on the basis of sex in the admission of individuals to any program to which the application, contract, or other arrangement is applicable.

117 Cong.Rec. 30411 (1971). When § 503 is read in its totality, it is more than a "directive" and confers a benefit directly on appellants' class.

19. Before it finally became law, the Rehabilitation Act of 1973 had two predecessors succumb to presidential vetoes. The vetoes were directed, as was most of the discussion during the legislation's perambulations around the halls of Congress, at its spending portions. Nevertheless, I have followed § 503 from its origin in the first Senate bill. A summary of the history of this Act is contained in S.Rep. No.93–318, *supra*, at 2078–2090.

The Rehabilitation Act Amendments of 1974 proved slightly less peripatetic than their sire; they were only vetoed once. Their history is summarized in S.Rep.No.93–1297, 93d Cong.2d Sess., *reprinted in* [1974] U.S.Code Cong. & Admin.News, pp. 6373, 6376–6381. Their amendment of the definition of "handicapped individuals" applicable to § 503 is relevant to the question at hand.

The Rehabilitation, Comprehensive Services and Developmental Disabilities Amendments of 1978 required only one passage to become law. Its provision of attorneys' fees for § 503 is considered below.

ments, and even more amendments, following always the Ariadne's thread of the legislative consideration of § 503. I therefore propose to investigate the legislative history of the Rehabilitation Act, the Rehabilitation Act Amendments of 1974 (the 1974 Amendments), and the attorney's fees provisions of the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978 (the 1978 Amendments). I will then discuss the significance to be attached to Congress' statements of its intentions in § 503.

1. *The Rehabilitation Act.*

As Congress passed and repassed the Act in 1972 and 1973, it established wide-ranging federal and federally-funded programs to aid in the more complete integration of handicapped individuals into the mainstream of society. *See* S.Rep.No.93-318, *supra*, at 2090-92. Most of the discussion in Congress and, after the vetoes, most of the controversy, focused on these programs and the appropriations they required. Consequently, Congress devoted little of its discussion to its intentions regarding the noncontroversial antidiscrimination provisions of Title V of the Act—including § 503.[20]

Further, Congress had already considered and resolved its questions regarding the use of the power of the federal purse to enforce civil rights as early as 1964 in its consideration of Title VI. *See NAACP v. Medical Center, Inc.*, *supra*, 599 F.2d at 1253-54. Then, in enacting Title IX of the Education Act Amendments of 1972, it again trod this same ground. When it came to consider §§ 503 and 504 of the Rehabilitation Act in 1972 and 1973, which were in the pertinent ways analogous to these other statutes, it not surprisingly found no occasion to pause to reconsider or further explain its intentions in adopting this mode of attack.

Such discussion as did take place is of little aid in ascertaining whether Congress contemplated a private right of action under § 503. The statements most nearly addressing the question are at best of dubious import. During the original consideration of the legislation in 1972, Senator Humphrey submitted a statement, introduced on the floor by Senator Cranston, in which he commented on the inclusion of the predecessors of §§ 503 and 504 in the Act. He indicated his belief that these provisions "carr[ied] through the intent" of bills he had introduced to amend Titles VI and VII of the Civil Rights Act of 1964 "to guarantee the right of persons with a mental or physical handicap to participate in programs receiving Federal assistance, and to make discrimination in employment because of these handicaps, and in the absence of a bona fide occupational qualification, an unlawful employment practice." 118 Cong.Rec. 32310 (1972).[21] While this statement does not establish that a private cause of action was intended under § 503, equally cer-

20. In the reconsideration of the legislation after the vetoes, discussion became even more truncated. *See* 119 Cong.Rec. 5885 (1973) (Sen. Randolph).

21. Senator Humphrey concluded, "The time has come to firmly establish the right of these Americans to dignity and self-respect as equal and contributing members of society, and to end the virtual isolation of millions of children and adults from society."

Senator Humphrey made the same statement during the Senate's second passage of the legislation. *See* 119 Cong.Rec. 635 (1973). *See also* 119 Cong.Rec. 6145 (1973) (Sen. Humphrey).

tainly it does not show an intent to deny such a remedy. Nor, in fact, do any of the other statements made during the consideration of the Act.[22] As was apparent to the Congress at the time, it had attempted so much in the legislation that its full implications could not be immediately apparent.[23]

2. *The 1974 Amendments*

Congress began its clarification of those implications when it amended the Act in 1974. In particular, it focused on the problems of § 503's implementation in its amendment of the definition of "handicapped individual" applicable to that section.[24] As the original conference report shows, Congress meant the amendment to effectuate more fully its original intention to provide all qualified handicapped individuals protection against discriminatory practices, and, under § 503, to require affirmative action for their benefit under contracts in which federal funds were expended. It meant, in addition, to clarify its intention that discrimination against the handicapped was to be treated as similarly as possible to that against other minority groups in those contexts in which the Act applied. *See* S.Conf.Rep. No.93–1270, 93d Cong., 2d Sess. 25, 26 (1974).[25]

In explaining how §§ 503 and 504 were to be implemented under this new definition, the conference report pointed out that:

> Section 504 was patterned after, and is almost identical to, the anti-discrimination language of Section 601 of the Civil Rights Act of 1964 [Title VI] . . . and Section 901 of the Education Amendments [sic] of 1972 [Title IX] . . . . This approach to the implementation of Section 504, which closely follows the models of the above-cited anti-discrimination provisions, would . . . permit a judicial remedy through a private action.[26]

22. *See, e. g.*, 119 Cong.Rec. 7114 (1973) (Rep. Vanik).

23. For example, Representative Quie stated during consideration of the original bill, "[T]here are so many new and far-reaching aspects of this bill that I think it will take years before the true impact of all that we have done here is felt around the country." 119 Cong.Rec. 36313–14 (1973).

24. Quoted in note 3 *supra*.

25. Congress feared that the original definition, which referred to the individual's ability to benefit from vocational rehabilitation programs, would be too restrictive if applied to § 503. *See* S.Conf.Rep.No.93–1270, 93d Cong., 2d Sess. 25 (1974).

26. In the debates on the attorney's fees provision of the 1978 Amendments, Senator Cranston quoted in this precise manner from S.Rep. No.93–1297, *supra*, at 6390–91, which accompanied the bill on its second passage. *See* 124 Cong.Rec. S15593 (daily ed. Sept. 20, 1978). Obviously, this report contained virtually the same language as the conference report.

The full text of this passage from the conference report states:

> Section 504 was patterned after, and is almost identical to, the antidiscrimination language of section 601 of the Civil Rights Act of 1964, U.S.C. 2000d–1 (relating to race, color, or national origin), and section 901 of the Education Amendments of 1972, 42[20] U.S.C. 1683 (relating to sex). The section therefore constitutes the establishment of a broad government policy that programs receiving Federal financial assistance shall be operated without discrimination on the basis of handicap. It does not specifically require the issuance of regulations or expressly provide for enforcement procedures, but it is clearly mandatory in form, and such regulations and enforcement are intended.
>
> The language of section 504, in following the above-cited Acts, further envisions the implementation of a compliance program which is similar to those Acts, including promulgation of regulations providing for investigation and review of recipients of Federal financial assistance, attempts to bring non-

And, immediately following this statement, the report continues:

> It is intended that Sections 503 and 504 be administered in such a manner that a consistent, uniform and effective Federal approach to discrimination against handicapped persons would result.

Id. at 27.

Senator Stafford, ranking minority member of the Subcommittee on the Handicapped of the Committee on Labor and Public Welfare and a leading advocate of this legislation on the floor during all stages of its consideration, addressed these same considerations during the Senate debate. After referring to §§ 503 and 504 along with Title VI and Title IX, and quoting part of the original Senate report, he stated:

> As the Senators are aware, the sections I have just cited establish Federal Government policies as they relate to programs receiving Federal financial assistance and the prohibition against discrimination on any basis. It was the committee's intent that the enforcement under sections 503 and 504 would be similar to that carried out under section 601 of the Civil Rights Act and 901 of the Education Amendments [sic] of 1972.
>
> I cannot stress strongly enough the need for strong enforcement of Sections 503 and 504 . . . .

120 Cong.Rec. 30551 (1974).

Taken together, these statements present cogent, though not decisive, evidence that Congress contemplated a private right of action under § 503. First, the statement in the report regarding the existence of a private right of action under § 504 has been given great weight in cases finding that such cause exists under that section.[27] Second, while the statement immediately following, to the

> complying recipients into voluntary compliance through informal efforts such as negotiation, and the imposition of sanctions against recipients who continue to discriminate against otherwise qualified handicapped persons on the basis of handicap. Such sanctions would include, where appropriate, the termination of Federal financial assistance to the recipient or other means otherwise authorized by law. Implementation of section 504 would also include pre-grant analysis of recipient to ensure that Federal funds are not initially provided to those who discriminate against handicapped individuals. Such analysis would include pre-grant review procedures and a requirement for assurances of compliance with section 504. This approach to implementation of section 504, which closely follows the models of the above-cited anti-discrimination provisions, would ensure administrative due process (right to hearing, right to review), provide for administrative consistency within the Federal government as well as relative ease of implementation, and permit a judicial remedy through a private action.
>
> S.Conf.Rep.No.93-1270, *supra*, at 27.

27. *See, e. g., Lloyd v. Regional Transportation Authority*, *supra*, 548 F.2d at 1285–86; *NAACP v. Medical Center, Inc.*, *supra*, 599 F.2d at 1258. The court in *Lloyd* examined the passage *in toto* and read it as contemplating "judicial review of an administrative proceeding as contradistinct from an independent cause of action in federal court." It allowed the action to proceed, however, since HEW had not yet issued regulations. Despite its professed agreement with *Lloyd*'s general *Cort* analysis, the court in *NAACP* apparently interpreted the language as contemplating an independent cause of action in federal court since it let the action proceed despite the presence of HEW's regulations. Especially in light of Senator Cranston's later reading of this passage, see note 26 *supra*, and text accompanying, I am inclined to agree with the position taken in *NAACP*. Cases on the existence of a private right of action under § 504 are collected in note 8 *supra*.

effect that administration of §§ 503 and 504 should be "consistent" and "uniform," is not unambiguous, it may fairly be read to suggest that Congress intended an implied remedy under § 503 and at the least indicates an implicit Congressional recognition that, since a private right of action would not be inconsistent with its purposes in § 504, neither would it be inconsistent with those underlying § 503.[28] Third, Senator Stafford's statement, developing the themes of the report, expressly recognizes the similarity of the original congressional intent underlying §§ 503 and 504, and a further similarity between that underlying those sections and Title VI and Title IX. In *Cannon*, in which the Supreme Court held that a private cause of action existed under Title IX, it relied heavily on expressions of congressional understanding that Title IX was to have similar enforcement mechanisms to those of Title VI and that a private cause of action existed under the latter provision. *Cannon, supra*, 99 S.Ct. at 1956–60. In this case, one again finds Congress building on its understanding of the enforcement mechanisms of Title VI and Title IX. In sum, this material constitutes at least some evidence that Congress contemplated a private cause of action under § 503.

We need not, however, rely on this evidence alone. Congress in 1978 provided even more persuasive evidence that § 503 had been intended to create a private cause of action in the federal courts.

3. *The 1978 Amendments*

The attorney's fees provision of the 1978 Amendments constitutes an unimpeachable statement by Congress that it understood § 503 to include an implied private remedy and provides strong evidence of its original intent. In fact, if Congress did not understand that in § 503 it had already created such a remedy, this provision insofar as it applies to § 503—which it clearly does—would make little sense; for there would be no private action to which it would apply.

The 1978 amendments added a new section, § 505, 29 U.S.C.A. § 794a (West Supp.1979), to the Act, which in relevant part provides:

> In any action or proceeding to enforce or charge a violation of a provision of this subchapter, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs.

§ 505(b), 29 U.S.C.A. § 794a(b). By its terms this provision applies to § 503 and explicitly presumes private and independent judicial actions. *Cf. Cannon, supra*, 90 S.Ct. at 1958–9. (attorney's fees for Title VI) Since attorney's fees are to be made available to parties "other than the United States," the statute contemplates the presence of private plaintiffs who attempt "to enforce or charge a violation of" the section. Furthermore, the language clearly looks to an "action or proceeding" before "the court," not before an administrative agency.[29] Lest there

28. In *Hart v. County of Alameda*, —— F.Supp. —— (N.D.Cal.1979), the court relied in part upon this statement in finding an implied remedy under § 503. *Id.* at ——.

29. The provision was explicitly modelled on the Civil Rights Attorney's Fee Awards Act of 1976, 42 U.S.C.A. § 1988 (West Supp.1979). *See* 124 Cong.Rec. S15590–1 (daily ed. Sept. 20, 1978) (Sen. Cranston). In *Cannon*, the Supreme Court examined the meaning of the parallel language in the 1976 Act and reached the same conclusions that I have set forth in the

be any doubt about the implications of this enactment, I turn to its legislative history, which resoundingly supports my interpretation both of the amendment and § 503.

First, while the original house bill (H.R.12467) explicitly provided fees for private actions brought under §§ 501, 503 or 504 of the Act,[30] the Senate bills' attorney's fee provision—the source for § 505 as set out above—dropped the reference to the individual sections and made itself applicable generally to all sections of Title V. The Senate report, however, further clarified the intent underlying the provision:

> The committee believes that the rights extended to handicapped individuals under Title V, that is, Federal government employment, physical accessibility in public buildings, *employment under federal contracts*, and nondiscrimination under federal grants—are and will continue to be in need of constant vigilance by handicapped individuals to assure compliance and *the availability of attorney's fees should assist in vindicating private rights of action in the case of section 502 and 503 cases*, as well as those arising under section 501 and 504.

S.Rep.No. 95–890, 95th Cong., 2d Sess. 19 (1978) (emphasis supplied).

The debates on the floor of the Senate further support my conclusions concerning both the intent underlying § 505 and that underlying § 503. Senator Cranston, who had been Senate floor manager of all the previous legislation and who authored the attorney's fee provision, listed the sections of the Act covered by the provision, including "employment under federal contracts," and added, "Priavte (*sic*) enforcement of these Title V rights is an important and necessary aspect of assuring that these rights are vindicated and enforcement is uniform." 124 Cong.Rec. 15590 (daily ed. Sept. 20, 1978). Later a colloquy between Senators Cranston and Bayh indicated explicitly that both Senators understood that Title V of the Act authorized private suits, just as they understood Title VI and Title IX did. This colloquy further indicated that the Senators understood Title V of the Act, including § 503, to have originally contemplated private suits and, correspondingly, that what the Congress said and did now was merely a clarification of that original intent and an attempt to ensure its

text regarding its meaning. *See* 99 S.Ct. at 1951–52 n.6.

30. The House Committee on Education and Labor commented as follows:

> Section 119 of H.R.12467 as amended would add a new section 505 to the act. The new section permits courts, at their discretion, to award to the prevailing party, other than the United States, in any action or proceeding to enforce sections 501, 503 or 504 of the act, a reasonable allowance to cover the costs of attorneys' fees. Section 501 relates to affirmative action in Federal employment of the handicapped, section 503 relates to affirmative action in employment of the handicapped by certain Federal contractors, and section 504 relates to nondiscrimination against the handicapped by recipients of Federal financial assistance. The proposed amendment is not in any way unique. At present there are at least 90 separate attorneys' fees provisions to promote enforcement of over 90 different Federal laws. In fact, disabled individuals are one of the very few minority groups in this country who have not been authorized by the Congress to seek attorneys' fees. The amendment proposes to correct this omission and thereby assist handicapped individuals in securing the legal protection guaranteed them under title V of the act.

H.R.Rep.No.95–1149, 95th Cong., 2d Sess. (1978), *reprinted in* [1978] U.S.Code Cong. & Admin.News 7332.

vindication. Senator Bayh cited cases such as *Bossier Parish School Board v. Lemon, supra*, as correctly interpreting congressional intent under Title VI by allowing such private suits. He concluded:

> I thank the distinguished Senator from California for taking time to make clear the *continuing intention* of Congress that private actions be allowed under titles VI and VII of the Civil Rights Act of 1964, title IX of the Education Amendments (sic) of 1972 and title V of the Rehabilitation Act of 1973.

124 Cong.Rec. S15593 (daily ed. Sept. 20, 1978) (emphasis supplied).

Not one of these statements was ever questioned during the consideration of this legislation.[31]

4. *The Significance of the Legislative Materials*

Taking into account the totality of the legislative consideration of § 503, this much at least is indisputable: Congress had told us—though subsequent to the passage of § 503—that it originally intended an implied remedy under § 503 and now firmly understands that such a remedy exists. We may know this not only from individual statements of members of Congress and not only from the reports of congressional committees, but also from an enactment of positive law—

31. One other point regarding the legislative commentary on § 503 should be mentioned. In 1979, the Senate Committee on Labor and Human Resources, the successor to the Committee on Labor and Public Welfare, reported a bill which would amend Title VII of the Civil Rights Act of 1964, 42 U.S.C.A. § 2000e *et seq.* (West 1974), to add the handicapped to the groups within its protections. In its report appears the following statement:

> The Committee stresses that the amendments made to the Civil Rights Act of 1964 by this bill do not in any way affect the rights, remedies, and procedures already accorded to handicapped individuals by title V of the Rehabilitation Act of 1973, as amended. Nor are the responsibilities of covered entities, Federal departments, agencies, and instrumentalities imposed by title V altered in any way by this legislation.
>
> The Committee wishes to make clear and definite the specific protections against discrimination in employment provided under title V of the Rehabilitation Act and the right of handicapped individuals to enforce those protections in a court of law.
>
> Congress enacted title V of the Rehabilitation Act in 1973 to eliminate discrimination, on the basis of handicap, in Federal employment and federally funded activities. In amending title V in 1978, this Committee stated that it was adding section 505 'to enhance the ability of handicapped individuals to assure compliance with the civil rights provisions of title V * * *. (S.Rept.No. 95-890, 95th Cong., 2d Sess., p. 18 (1978) . . .'. This Committee stated in 1978 its belief
>
> that the rights extended to handicapped individuals under title V * * * are, and will remain, in need of constant vigilance, by handicapped individuals to assure compliance, and the availability of attorney's fees should assist in vindicating private rights of action in the case of section 502 and 503 cases, as well as those arising under section 501 and 504. (S.Rept.No. 95-890, 95th Cong., 2d Sess., p. 19 (1978)) . . . .
>
> It is, and has always been the Committee's intent that any handicapped individual aggrieved by a violation of title V has the right under existing law to proceed privately in federal court to enforce the rights and remedies afforded under title V of the Rehabilitation Act of 1973, as amended, and to receive back pay and attorney's fees if successful. S.Rep.No. 96-316, 96th Cong., 1st Sess., pp. 12-13 (1979).

This report clearly supports the interpretation of congressional intent set forth in this section. It also indicates that the Committee's understanding of the meaning of § 503 is so well-established that it must take it into account in its attempt to amend Title VII.

the attorney's fees provision—voted upon by all members of Congress, premised on that understanding of the original intent and that, insofar as it applies to § 503, makes no sense if that understanding is wrong.

Nevertheless, the majority has decided that Congress is wrong and leaves dangling the attorney's fees provision for § 503. They hold that all the legislative materials I have discussed are unpersuasive and read from the congressional silence in 1973 an intent to disallow private actions under § 503. I take as typical of the majority's approach to this matter its conclusions regarding the consideration and passage of the attorney's fees amendments in 1978:

> It may, therefore, fairly be said that the 1978 committees of both Houses assumed that a private cause of action had somehow been created in the past. The existence of such a postulate is neither logical nor legislative basis to conclude that the 1973 statute did in fact create the action; and, if the 1973 statute did not authorize the cause of action, the 1978 statute evidences no intention to create one. An assumption is not law.

Maj. Op. at ———, slip op. at 3242. There are several problems with this type of analysis. First of all, it ignores the fact that Congress in 1978—and, indeed, in 1974—did not merely tell us that it *assumed* a private cause of action existed, but told us that it had originally intended such an implied remedy—that this was its "continuing intention." Second, the majority fails to give due regard to the fact that we deal here not only with the views of two committees, but also with an action taken by both Houses of Congress in enacting laws. As I have shown, the attorney's fees provision is premised on the existence of an implied remedy. Finally, and perhaps most significantly, the Supreme Court in *Cannon* considered and rejected precisely the type of reasoning the majority employs. The crux of the question before us is *not* whether Congress in 1974 or 1978 intended *then* to create a private cause of action under § 503, but whether we may give weight to these later statements in interpreting the original intent. The Supreme Court has told us in *Cannon* not only that we can give them persuasive weight, but that we must.

After the seventh circuit originally held that no implied remedy existed under Title IX, it granted a petition for rehearing to determine "whether the inclusion of Title IX within the provisions of the Civil Rights Attorney's Fees Award Act of 1976 . . . require[d] a different resolution of the Title IX issue . . . ." *Cannon v. University of Chicago*, 559 F.2d 1063 (7th Cir. 1976), *rev'd*, 441 U.S. 677, 99 S.Ct. 1946, 60 L.Ed.2d 560 (1979). In reaffirming its original result, the seventh circuit concluded:

> As we read the legislative history of the Attorney's Fees Award Act, it provides no support for plaintiff's argument that the inclusion of Title IX within the Act was intended to provide a private right of action under Title IX. At best, the remarks to which plaintiff has referred us suggest only that some members of Congress may have assumed that private suits were authorized under all of the statutes included within the Act. But, even if the entire Congress shared the assumption that a private right of action was authorized by Title IX, none of the precedents on which plaintiff relies would be controlling, for they

> involved subsequent legislative history explicitly declarative of Congress's own intent in passing a given statute, rather than a mere assumption concerning a judicial construction that had been or might be placed on a statute after its enactment.

Id. at 1079.

In reversing the seventh circuit, the Supreme Court rejected this mode of analysis. After taking note of the lower court's conclusion that the 1976 Attorney's Fees Act did not intend "to create a remedy that did not previously exist," the Court reasoned as follows:

> We find nothing objectionable in this conclusion, as far as it goes. The legislative history quoted in the opinion of the Court of Appeals makes clear that the supporters of the legislation did not intend it to amend Title IX to include an express cause of action where none existed before. Instead, they clearly only meant to provide attorney's fees in the event that that statute as it had always existed implicitly created a cause of action. 559 F.2d at 1079–1080.
>
> On the other hand, the language added to § 1988 by the 1976 amendment and the legislative history surrounding it does indicate that many "members of Congress may have assumed that private suits were authorized under" Title IX, *id.*, at 1079, and, more importantly, that many members felt that private enforcement of Title IX was entirely consistent with, and even necessary to, the enforcement of Title IX and the other statutes listed in § 1988. . . .
>
> Although we cannot accord these remarks the weight of contemporary legislative history, we would be remiss if we ignored these authoritative expressions concerning the scope and purpose of Title IX and its place within "the civil rights enforcement scheme" that successive Congresses have created over the past 110 years.

99 S.Ct. at 1952 & n.7. This reasoning is fully applicable to the subsequent legislative consideration of § 503 I have set out above and particularly to the 1978 Amendments' provision of attorney's fees.

Furthermore, the third circuit, in concluding that an implied remedy existed under Title VI, reached a conclusion similar to that I urge here regarding the significance of the later addition of attorney's fees provisions covering that statute. The court stated:

> It is also persuasive evidence of intent that Congress has repeatedly enacted attorneys' fee legislation implicitly predicated on the fact that Title VI may be enforced in a private action. While this legislation does not amount to a conclusive demonstration that a private cause of action exists, the fact that Congress has explicitly provided for attorneys' fees under Title VI, coupled with the fact that Congress has had the opportunity to foreclose a private action but has not done so, supports our interpretation of legislative intent and our construction of the legislative scheme envisaged by the enacting Congress.

NAACP v. Medical Center, Inc., supra, 599 F.2d at 1255. (footnotes omitted).

Finally, it is a well-established principle that the post-enactment treatment of a statute by Congress is cogent evidence of the intent of Congress at the time of its passage. This principle is not premised on the power of Congress to repeal or amend the original enactment, as the majority suggests; rather it de-

rives from the understanding that Congress is a creditable interpreter of its own actions and that courts should pay heed to its interpretations. *See, e. g., Chrysler Corp. v. Brown*, 441 U.S. 281, 99 S.Ct. 1705, 1716–17, 60 L.Ed.2d 208 (1979); *Red Lion Broadcasting Co. v. F. C. C.*, 395 U.S. 367, 89 S.Ct. 1794, 1801, 23 L.Ed.2d 371 (1969); *Federal Housing Administration v. The Darlington, Inc.*, 358 U.S. 84, 79 S.Ct. 141, 145, 3 L.Ed.2d 132 (1958); *Lloyd v. Regional Transportation Authority, supra*, 548 F.2d at 1285 (7th Cir. 1977).

The majority has stated that the statutory silence regarding the existence of a private remedy "is not given meaning by voices in the legislative background." Maj. Op. at ——, slip op. at 3237. It is, however, given meaning by a multitude of voices in the legislative foreground, and one of the central questions in this case is whether we shall listen to them. For all the reasons I have indicated, I think we should. I propose that we give full credit to the good faith and authoritative attempts of Congress to make its original intent known in a case such as this, absent some grounds for believing it unreasonable to do so. In the case at hand, we have not merely the individual statements of one of two members of Congress, but a series of authoritative and uncontradicted statements by those intimately involved with this legislation from its inception and by committees in both houses.[32] Furthermore, in the 1978 attorney's fees provision, we have an enactment of positive law premised on Congress' "settled understanding," *see Chrysler Corp. v. Brown, supra*, 99 S.Ct. at 1716–17, that it already created a private remedy in § 503.[33] In these circumstances, I think it is unreasonable *not* to find a congressional intent to create such a remedy. The majority has cautioned, paraphrasing Samuel Butler, of the dangers of attempts by mortals to rewrite history. Their approach to these significant and authoritative legislative materials, however, would unfairly relegate them to the anagrammatical antecedent of Mr. Butler's *Erewhon*.[34]

32. The majority notes that " 'The Committee' in 1978 or 1979 is not the committee that recommended the legislation enacted in 1974." Maj. Op. at ——, slip op at 3242, 3243. It is interesting to observe, however, that 11 of the 16 members of the relevant Senate Committee in 1978 were on the committee in 1973 when the Act was passed. *Compare* [1978] U.S.Code Cong. and Admin.News XCIX *with* [1973] U.S. Code Cong. and Admin.News LXXXIV. Further, 15 of the 37 members of the relevant House committee in 1978 were also on the Committee in 1973. *Compare* [1978] U.S.Code Cong. and Admin.News CXVII *with* [1973] U.S.Code Cong. and Admin.News XCVIII.

33. See also note 31 *supra*.

34. I would also reject explicitly three other arguments raised by appellees to attempt to refute this evidence of the intent of Congress to furnish an implied remedy under § 503.

Appellees first argue that we are to read from the lack of success of the numerous attempts to amend Title VII of the Civil Rights Act of 1964, 42 U.S.C.A. § 2000e *et seq.* (West 1974), to protect the handicapped a congressional intent to deny a private right of action to beneficiaries of § 503's requirements. Faced with a similar argument that provision of certain express remedies under one section of a statute was evidence of congressional intent to deny a private remedy under another section which made no such express provision, the Supreme Court in *Cort* found "this excursion into the extrapolation of legislative intent entirely unilluminating," since nothing in the legislative history indicated that Congress had in fact harbored such intentions. *See Cort, supra*, 95 S.Ct. at 2090 n. 14.

Here, I find appellees' extrapolatory excursion entirely unilluminating. First, to credit appellees' argument one would be required to weigh more heavily than Congress' direct statements on its purpose in § 503, as discussed above, appellees' mere speculations about congressional intentions in refusing to amend Title VII. I would decline to read so

Note 34—Continued

much into the inaction and silence of the Congress. Second, § 503 and Title VII have vastly different coverages, the former reaching only federal contractors and the latter covering most private employers. The attempts to amend Title VII may thus represent attempts only to establish broader protections against employment discrimination for handicapped individuals. Representative Dodd, for example, explained in the 1976 Congressional Oversight Hearings on the Rehabilitation Act his motivations for proposing one amendment like those to which appellees point:

> It is my belief that we as a nation have been grossly negligent in failing to eradicate the barriers of discrimination which the mentally and physically handicapped face both in the public and private sectors of our society. The Rehabilitation Act of 1973 stands on an affirmative step by the Congress to remove these discriminatory barriers at least from the Federal Government, the Federal Contractors and recipients of Federal financial assistance.
>
> However, *we must go beyond the protections afforded the handicapped in the Rehabilitation Act and prohibit private discrimination in the areas of employment*, architectural barriers, housing and transportation. *To that end, last year I introduced legislation to prohibit discrimination against the mentally and physically disabled in the House in employment;* and last fall I conducted extensive hearings on private employment discrimination to develop a background on the problems the handicapped face in this area.

Oversight Hearings on Rehabilitation of the Handicapped Programs Before the Subcommittee on the Handicapped of the Committee on Labor and Public Welfare, 94th Cong., 2d Sess. Part I, 321–22 (1976) (emphasis added). *See also* S.Rep.No.96–316, 96th Cong., 1st Sess. 3 (1979).

In sum, I do not believe that the failure of Congress to amend Title VII can support the inferences appellees attempt to draw from it.

Appellees' second argument, given some weight by the majority, is based on the judicial treatment of Executive Order 11,246, 3 C.F.R. § 339 (1964–1965 Comp.), as amended by Executive Order 11,375, 3 C.F.R. § 684 (1966–1970 Comp.). That order requires in § 202 that all government contracts, subject to certain specified exemptions, contain a provision in which the contractor agrees that he "will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin" and that he "will take affirmative action to assure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin."

In several cases in the courts of appeals, decided before the enactment of § 503, the courts concluded that no private right of action could be inferred from the Executive Order or its predecessors. *See, e. g., Farkas v. Texas Instruments, Inc.*, 375 F.2d 629 (5th Cir. 1967), *cert. denied*, 389 U.S. 977, 88 S.Ct. 480, 19 L.Ed.2d 471; *Farmer v. Philadelphia Electric Co.*, 329 F.2d 3 (3rd Cir. 1964). Appellees argue, in effect, that because of these decisions Congress must have known when it enacted § 503 that courts would not infer a private cause of action under it and thus must not have intended one.

Although this argument has some initial appeal and receives perhaps some indirect support from *Cannon*, I find it ultimately unpersuasive when placed against Congress' own expressions of its purposes in § 503. First, such support as it receives from *Cannon* can only amount to a "presumption" which must evaporate in face of the legislative history of § 503. In *Cannon*, the Court noted that when Congress in 1972 explicitly modelled Title IX on Title VI numerous cases had held that Title VI created a private right of action. It stated further that "because of their [the legislators'] repeated references to Title VI and its modes of enforcement, we are especially justified in presuming both that those representatives were aware of the prior interpretation of Title VI and that that interpretation reflects their intent with respect to Title IX." *Cannon, supra*, 99 S.Ct. at 1958. Here, however, while one does find some mention of the Executive Order in the legislative history of § 503, there is no indication whatever that Congress intended to make its enforcement fully comparable to that which had existed under the Executive Order. There is, on the other hand, the evidence discussed above which supports the existence of a private right of action under § 503 and which stresses that administration of that section is to be comparable to that of Title VI. Therefore, we should not here indulge in any "presumptions" of legislative intent based on the history of Executive Order 11,246.

Furthermore, both *Farkas* and *Farmer* relied upon the "history of the orders, the rules and regulations made pursuant to them, and the

C.

Cannon guides the application of the third *Cort* criterion: "A private remedy should not be implied if it would frustrate the underlying purpose of the legislative scheme. On the other hand, when that remedy is necessary or at least helpful to the accomplishment of the statutory purpose, the Court is decidedly receptive to its implication under the statute." *Cannon, supra*, 99 S.Ct. at 1961 (footnote omitted).

The majority sets forth two reasons for concluding that this factor is an impediment to the inference of a private right of action under § 503. First, in the fact that the OFCCP has emphasized "conciliation and persuasion" and "informal means" of resolution in its regulations and has failed to provide for a private remedy, they find the suggestion that a private remedy is inconsistent with the administrative enforcement mechanism. Second, they argue that "[t]he provision of an express administrative remedy for qualified handicapped persons creates at least some basis to conclude that a private right of action would be inconsistent with the purposes of the legislative scheme," *citing National Railroad Passenger Corp. v. National Association of Railroad Passengers*, 414 U.S. 453, 94 S.Ct. 690, 693, 38 L.Ed.2d 646 (1974) *(Amtrak)* and *TAMA, supra*, 100 S.Ct. at 247. I think the position now taken by the OFCCP and the Department of Labor on these questions and the Supreme Court's analysis of the administrative scheme under Title IX, which bears close functional similarities to that under § 503,[35] provide definitive rebuttals to these contentions.

First, the OFCCP and the Department of Labor, charged with the enforcement of § 503, have taken the clear position

Note 34—Continued

actual practice in the enforcement of the nondiscrimination provisions." *Farmer, supra*, 329 F.2d at 9; *Farkas, supra*, 375 F.2d at 633. As the Supreme Court recently pointed out, the history of the Executive Order is quite murky; in fact, even the legislative authority for its issuance is a matter of debate. *See Chrysler Corp. v. Brown, supra*, 99 S.Ct. at 1719. Under these circumstances, it is difficult to see how Congress *could* have intended a private remedy, and certainly the President could not himself create a new private judicial remedy. Regarding § 503, the history is quite different, and it is on that distinct history we should rely.

This distinct history suffices also to distinguish this case from those cases in this circuit which appellees and the majority cite for the proposition that courts are reluctant to infer private causes of action under statutes regulating employee-employer relationships. *See, e. g., Jeter v. St. Regis Paper Co.*, 507 F.2d 973 (5th Cir. 1975) (no private right of action under Occupational Health and Safety Act, 29 U.S.C. §§ 651–678); *Martinez v. Behring's Bearings Service, Inc.*, 501 F.2d 104 (5th Cir. 1974) (no private right of action for wrongful death under Fair Labor Standards Act, 29 U.S.C. § 215(a)(3)); *Flores v. George Braun Packing Co.*, 482 F.2d 279 (5th Cir. 1973) (no implied right against employer for deprivation of job based on illegal employment of foreign nationals under Immigration and Nationality Act, 8 U.S.C. §§ 1101(a)(15)(A)(ii), 1182(a)(14)); *Breitweiser v. KMS Industries, Inc.*, 467 F.2d 1391 (5th Cir. 1972), *cert. denied*, 410 U.S. 969, 93 S.Ct. 1445, 35 L.Ed.2d 705 (1973) (no implied right of action to bring a wrongful death action under child labor provisions of Fair Labor Standards Act, 29 U.S.C. § 212); *United States v. Lovknit Manufacturing Co.*, 189 F.2d 454 (5th Cir. 1951) (no implied right of action under Walsh-Healey Act, 41 U.S.C. §§ 35–45; dictum).

35. It is no accident that the administrative schemes are similar. While one statute deals with contracts and the other with grants, both express federal policies of nondiscrimination for recipients of federal funds; both must use the leverage of the spending power to assure compliance with these policies. Further, as pointed out in the preceding section, Congress explicitly contemplated that the enforcement schemes would be similar.

that § 503 contains an implied remedy under the circumstances present in these cases.[36] In their own right, the views of the agency charged with the administrative enforcement of a statute are entitled to great deference from the courts in their construction of the statute. *See, e. g., Miller v. Youakim,* 440 U.S. 125, 99 S.Ct. 957, 969, 59 L.Ed.2d 194 (1979); *Board of Governors of Federal Reserve System v. First Lincolnwood Corp.,* 439 U.S. 234, 99 S.Ct. 505, 514, 58 L.Ed.2d 484 (1978); *Red Lion Broadcasting Co. v. F.C.C.,* 395 U.S. 367, 89 S.Ct. 1794, 1802, 23 L.Ed.2d 371 (1969); *Zemel v. Rusk,* 381 U.S. 1, 85 S.Ct. 1271, 1278, 14 L.Ed.2d 179 (1965); *Udall v. Tallman,* 380 U.S. 1, 85 S.Ct. 792, 801, 13 L.Ed.2d 616 (1965). More specifically, however, the OFCCP has explicitly addressed and dismissed the concerns expressed by the majority. It has stated its belief not only that "a private right of action would be consistent with Congress' intent," but also that such a private remedy would "greatly assist" its enforcement efforts. It believes this assistance necessary because it has insufficient resources to investigate and resolve the growing backlog of § 503 administrative complaints. *See* Appendix ¶ 3. Moreover, the OFCCP has specifically rejected the notion that a private action under § 503 would seriously interfere with its attempts at informal conciliation. It has indicated its belief that "the prospect of litigation would have a sobering effect on the parties concerned, and actually encourage informal conciliation." And, while conceding a private action might on occasion negatively affect such negotiations, "it has concluded that when all the relevant factors are weighed, including the Department's limited resources, the ultimate objective—that of effectively enforcing the statute—will best be served by permitting a private right of action." *See* Appendix ¶ 4.[37] In deciding the Title IX issue in *Cannon,* the Supreme Court gave great weight to the analogous contentions advanced there by HEW regarding the relationship between a private remedy and the administrative enforcement scheme. *See Cannon, supra,* 99 S.Ct. at 1262–63 & nn. 41 & 42. Under all these circumstances, I can perceive no justification for this court's refusal to accept, or even acknowledge, the OFCCP's position regarding the consistency of an implied remedy with the statutory goals or the administrative enforcement scheme.[38]

36. See note 2 *supra* and Appendix ¶ 2.

37. There exist other reasons for concluding that an implied remedy will not interfere with administrative enforcement. First, officials of the Department of Labor have indicated on a number of occasions their preference for, and intent to shift toward, a compliance review procedure, and their intent to shift away from a solely complaint-oriented process, to achieve a more efficient allocation of their resources. *See* Office of Federal Contract Compliance Programs Task Force, Preliminary Report on the Revitalization of its Federal Contract Compliance Program 101–104 (1977); 2 Empl.Prac. Guide (CCH) ¶ 5027 (Statement of Weldon Rougeau); 1978 Hearings, *supra,* at 258–59, 264, 270, 271 (testimony of Donald Elisburg and Weldon Rougeau). Thus, one might infer that the existence of a private right of action will leave the OFCCP free to pursue more vigorously its preferred mode of enforcement. Second, one must expect that OFCCP's complaint process will still remain an important part of § 503's enforcement. For some individuals, an attempt to attain a voluntary remedy will certainly be more attractive than an adversary proceeding in federal court.

38. It is important to note that Title IX, like § 503, contemplates the use of voluntary compliance procedures. *Compare* 20 U.S.C.A. § 1682 (West 1978) and 45 C.F.R. § 86.71 (1978), *adopting by reference* 45 C.F.R. § 80.8 (1978), *with* 41 C.F.R. § 60–741.28 (1978). In *Cannon,* the Supreme Court did not find that this direction to seek voluntary compliance

Second, the Supreme Court in *Cannon* analyzed Title IX's purposes, administrative scheme, and the consistency of a private remedy with these, and concluded that a private remedy "is not only sensible but is fully consistent with—and in some cases necessary to—the orderly enforcement of the statute." *Cannon, supra*, 99 S.Ct. at 1962. (footnote omitted) Because of the close analogies between Title IX's purposes and enforcement scheme and those of § 503, I think the application of *Cannon*'s method of analysis to § 503 compels the same result here.

One of Congress' primary purposes in § 503 was to protect handicapped individuals from discrimination in employment by federal contractors. In analyzing Title IX in *Cannon*, the Supreme Court identified "two related, but nevertheless somewhat different, objectives. First, Congress wanted to avoid the use of federal resources to support discriminatory practices; second, it wanted to provide individual citizens effective protection against those practices." *Cannon, supra*, 99 S.Ct. at 1961. From the very nature of § 503, I conclude that it seeks these same objectives, and, as in *Cannon*, I do not believe the latter goal can be labelled "secondary." In fact, an examination of the legislative history reveals beyond doubt that protection of handicapped individuals from discrimination was a primary purpose of the legislation.[39] As under Title IX, the remedy of withdrawal of the federal monies under § 503 may serve the first mentioned purpose.[40] But, again, as under Title IX, "[t]hat remedy is, however severe and often may not provide an appropriate means of accomplishing the second purpose if merely an isolated violation has occurred." *Cannon, supra*, 99 S.Ct. at 1961. In that situation, a court remedy for the injured individual would certainly be more appropriate. *See id.* at 1961–62. Furthermore, the simple logic of the

with Title IX rendered a private right of action inconsistent with its underlying purposes of prohibiting discrimination.

39. While Congress' attention was not often focused directly on § 503 during the consideration of the bills, Senator Dole stated at one point, "The primary goal of this bill is to assist handicapped individuals in achieving their full potential for participation in our society," and singled out, in particular, the "antidiscrimination provisions." 119 Cong.Rec. 24589 (1973). *See* 118 Cong.Rec. 32310 (1972) (Sen. Humphrey); 119 Cong.Rec. 635 (1973) (id.); 119 Cong.Rec. 24566 (1973) (Sen. Cranston); 119 Cong.Rec. 24587 (1973) (Sen. Taft); 119 Cong.Rec. 24587–8 (1973) (Sen. Williams).

The 1974 amendment to the definition of "handicapped individual" applicable to § 503 also reflects Congress' desire to establish broad protections against discrimination for handicapped individuals. *See* note 25 and accompanying text *supra*.

Finally, in a letter to the OFCCP from members of the Senate's Subcommittee on the Handicapped of the Committee on Labor and Public Welfare, where the Act and the 1974 Amendments originated, one finds the clearest expression of congressional intent regarding § 503:

> The enactment of the Rehabilitation Act of 1973 (P.L. 93–112) was a major step in renewing our national commitment to providing for equal employment opportunity for handicapped individuals. Section 503 of that legislation was specifically designed to assure that the right to decent and fulfilling jobs for disabled individuals would be enforced with respect to all employers holding federal contracts of $2,500 or more.

S.Rep.No.93–1297, 93rd Cong., 2d Sess., *reprinted in* [1974] U.S.Code Cong. & Admin. News 6373, 6425. *See also id.* at 6426, 6427.

40. 41 C.F.R. § 60–741.28 (1978) provides for four enforcement procedures after voluntary compliance measures fail: judicial enforcement, withholding progress payments, termination of the contract, and debarment. *Compare id.* with 45 C.F.R. § 86.71 (1978), *adopting by reference* 45 C.F.R. § 80.8(a), (c), (d) (1978).

situation tells us that the OFCCP will be hesitant to invoke the rather draconian remedies provided for in its regulations in such situations,[41] and thus the injured individual should not be required to demonstrate that a contractor's discriminatory practices are so pervasive as to require such remedies. *See id.* at 1962. "The award of individual relief to a private litigant who has prosecuted her own suit is not only sensible but is fully consistent with—and in some cases even necessary to—the orderly enforcement of the statute." *Id.* (footnote omitted)

I think it useful here to set out individually the additional factors the Supreme Court relied upon in *Cannon* in concluding that a private action was consistent with Title IX's purposes and to show how they apply to this case.

1. The Court "has never withheld a private remedy where the statute explicitly confers a benefit on a class of persons and where it does not assure those persons the ability to activate and participate in the administrative process contemplated by the statute." *Id.* at 1962–63 n. 41.

Unlike § 902 of Title IX, 20 U.S.C.A. § 1682 (West 1978), § 503(b) does allow an individual to activate the administrative process. Again, however, the *administrative* schemes under the statutes are analogous. Both allow an individual to trigger the administrative process; neither allows him to participate in that process.[42] *Compare* 41 C.F.R. § 741–26 (1978) *with* 45 C.F.R. § 86.71 (1978), *adopting by reference* 45 C.F.R. § 80.7 (1978).

2. Even if administrative proceedings "result in a finding of a violation, a resulting voluntary compliance agreement need not include relief for the complainant." *Cannon, supra*, 99 S.Ct. at 1962–63 n. 41.

It appears that if the OFCCP finds a violation after investigation and achieves voluntary compliance, at least some "corrective action" regarding the complaint must be taken, although what action must be taken is not certain. *See* 41 C.F.R. § 60–741.26(g)(2) (1978). The OFCCP has full authority to determine what "corrective action" will be required. The complainant has no control over the disposition of his case even when his perception of his own best interest clashes with the perception of the OFCCP.[43]

Furthermore, if the voluntary compliance mechanism fails to provide relief

41. This "simple logic" also has support in experience. In 1978 hearings on the administration of § 503, Donald Elisburg, Assistant Secretary of Labor for Employment Standards, stated, "Within this last year, we have taken administrative proceedings against the first five contractors that action has ever been brought against under this program." Hearings before the Subcommittee on Select Education of the Committee on Education and Labor of the House of Representatives, 95th Cong., 2d Sess. 285 (1978). (1978 Hearings) While he added that other such proceedings were contemplated, it must be noted that these actions are the result of "around 4,500 complaints" *Id.* at 255.

42. During the 1978 Hearings on the Rehabilitation Act, Guy Guber, an employment rights specialist in the Job Development Program of the Center for Independent Living, cited as one of the "major problems" with the § 503 enforcement process the limited participation allowed to complainants. *See* 1978 Hearings, *supra*, at 191.

43. Guy Guber, *see* note 42, *supra*, pointed out in the 1978 Hearings, "The alleged best interests of the complainant which are represented by OFCCP staff during informal negotiations with respondents do not always coincide with what a complainant perceives as his own best interest." 1978 Hearings, *supra*, at 192.

for the individual complainant, the regulations make no express provision for obtaining individual relief. *See* 41 C.F.R. § 60–471.28 (1978). Thus, in such cases, an individual right of action is necessary to fulfillment of the second statutory purpose.

3. "[T]he agency may simply decide not to investigate—a decision that often will be based on a lack of enforcement resources, rather than on any conclusion on the merits of the complaint." *Cannon, supra*, 99 S.Ct. 1962–63 n. 41.

The OFCCP regulations similarly leave it discretion to decide not to investigate. *See* 41 C.F.R. § 60–741.26(g)(1) (1978). In fact, the OFCCP itself has pointed out the problems created by this discretion: "The net effect of such discretion is that there is no assurance that compliance decisions are not tempered by political, procurement, personal or other potentially competing or conflicting considerations." Office of Federal Contract Compliance Programs Task Force, Preliminary Report on the Revitalization of the Federal Contract Compliance Program 153 (1977). (Task Force) Furthermore, the OFCCP has conceded that it does not have adequate resources to protect fully the individual interests of handicapped employees and has supplied data to support its position. *See* Appendix, ¶ 3. In these circumstances, if a private remedy does not exist, the individual whom Congress sought to protect may be left without any recourse.[44]

In addition, it must be pointed out that the Supreme Court in *Cannon* considered and rejected the proposition—advanced by the majority in this case—that the existence of an administrative scheme such as that before us here is a bar to the inference of private action. The seventh circuit relied heavily upon the Title IX administrative mechanism in holding that that statute did not contain an implied remedy. *See Cannon v. University of Chicago*, 559 F.2d 1063, 1072–74 (7th Cir. 1976), *rev'd*, 441 U.S. 677, 99 S.Ct. 1946, 60 L.Ed.2d 560 (1979). After reviewing Title IX's statutory and administrative scheme as indicated above, the Supreme Court rejected this argument. *See* 99 S.Ct. at 1962–63 n. 41. Because of the close similarities which I have pointed out between Title IX's scheme and that under § 503, I think this court should adopt the same

44. If the OFCCP decides not to pursue a complaint, the complainant may seek review of the decision with the Director. *See* 41 C.F.R. § 60–741.26(g)(1) (1978). If that route provides no remedy, it is not clear that a complainant has any rights to further administrative action. In discussing the analogous point in *Cannon*, the Court suggested that a complainant might sue "under the Administrative Procedure Act to compel the agency to investigate and cut off funds. *E. g. Adams v. Richardson*, 156 U.S.App.D.C. 267, 480 F.2d 1159 (1973)." But in *Adams*, where appellants sought to compel HEW to take action regarding certain school districts which were allegedly in violation of Title VI, HEW argued that the decision to investigate was encompassed within the doctrine of prosecutorial discretion and was thus unreviewable, as an action committed to agency discretion. In distinguishing the prosecutorial discretion cases, the court noted that the appellants did not "challenge HEW's decision with regard to a few school districts in the course of a generally effective enforcement program," but alleged that HEW had consciously "adopted a general policy which is in effect an abdication of its statutory duty." *Adams, supra*, 156 U.S.App.D.C. at 270, 480 F.2d at 1162. Thus, an individual complainant under § 503 might not be able to get review of a decision not to investigate. In any case, such an attempt to review OFCCP's decision would be "far more disruptive" of its enforcement mechanism than would a private suit against the contractor. *See Cannon, supra*, 99 S.Ct. at 1962–63 n. 41.

position as did the Supreme Court in *Cannon*.[45]

Finally, Congress apparently sees no inconsistency between the existence of a private remedy and its purposes in § 503. Its provision of attorney's fees for cases under § 503 must indicate as much. *Cf. Cannon, supra*, 99 S.Ct. at 1952 n. 7, 1962 n. 41 (attorney's fees under Title VI and Title IX).

For all these reasons, I find inference of a private right of action consistent with the underlying purposes of § 503. Such right is helpful, even necessary, to its purposes and certainly would not frustrate them. Furthermore, for these same and additional reasons, I would conclude that exhaustion of administrative remedies should not be required from appellants in these cases.

First, the OFCCP has taken the position that, in suits such as those before us, there should be no strict requirement of exhaustion of the administrative process before a private action may proceed. See Appendix ¶ 2. It appears to opt instead for a flexible approach, such as that urged by HEW under Title IX, under which a district court has the option of deferring to the agency's decision, if one has been reached, or staying its hand if the agency so requests and asserts that administrative enforcement might be hampered by the private suit. *See Cannon, supra*, 99 S.Ct. at 1952–53 n. 8. In *Cannon*, the Court indicated that great weight should be given to the agency position on such matters. *Id.* at 1962–63 n. 41. Clearly we should do so here also.

This result also would be in accord with that reached under the similar administrative scheme involved in *Cannon*. There the Court added, "Because the individual complainants cannot assure themselves that the administrative process will reach a decision on their complaint within a reasonable time, it makes little sense to require exhaustion. See 3 K. Davis, Administrative Law Treatise § 20.01, at 57 (1958)." *Id.* The mere fact that some administrative procedure is supplied does not mean that in every case an individual must moil through it. Many governmental functions may be better managed because exhaustion of the administrative process is required before individual action may be taken. The protection of the rights of the handicapped under § 503 does not, for the reasons discussed above, fall with this ban. Administrative and judicial remedies under § 503 may better be perceived as operating in tandem, not as part of a hierarchy.

D.

The last *Cort* factor requires that we consider whether inference of a federal private right of action is inappropriate because the action is one "traditionally relegated to state law, in an area basi-

45. As one commentator has observed, "Thus it is clear that in civil rights cases, in contrast with most other types, the mere existence of an administrative enforcement mechanism does not bar implication of private rights of action." Note, *Implied Rights of Action to Enforce Civil Rights: The Case for a Sympathetic View*, 87 Yale L.J. 1378, 1391 (1978). *Cannon*, of course, is a case in point. Numerous other examples exist, however. Compare, e. g., *Lau v. Nichols*, 414 U.S. 563, 94 S.Ct. 786, 39 L.Ed.2d 1 (1974); *Allen v. State Board of Elections*, 393 U.S. 544, 89 S.Ct. 817, 22 L.Ed.2d 1 (1969); *Tunstall v. Brotherhood of Locomotive Firemen and Enginemen*, 323 U.S. 210, 65 S.Ct. 235, 89 L.Ed. 187 (1944); *NAACP v. Medical Center, Inc.*, 599 F.2d 1247 (3d Cir. 1979) with, e. g., *TAMA, supra*; *Touche Ross & Co. v. Redington, supra*; *Amtrak, supra*.

cally the concern of the States." As was stated in *Cannon*, "[n]o such problem is raised by a prohibition against invidious discrimination of any sort." In fact,

> [s]ince the Civil War, the Federal Government and the federal courts have been the '*primary* and powerful reliances' in protecting citizens against such discrimination. *Steffel v. Thompson*, 415 U.S. 452, 464, 94 S.Ct. 1209, 1218, 39 L.Ed.2d 505 (emphasis in original), quoting F. Frankfurter & J. Landis, The Business of the Supreme Court 65 (1928). Moreover, it is the expenditure of federal funds that provides the justification for this particular statutory prohibition. There can be no question but that this aspect of the *Cort* analysis supports the implication of a private federal remedy.

Cannon, supra, 99 S.Ct. at 1963.[46]

II

In sum, I think this case is a clear one for the finding of an implied remedy. First, the statutory language reveals a definite intent to confer a benefit upon appellants' class and provides a substantial predicate upon which to premise a private remedy. Second, persuasive evidence of legislative purpose indicates that such a private cause of action was intended to inhere in § 503. There exist not only explicit statements of individual members of Congress and committees of both Houses to support this conclusion, but an enactment of positive law premised upon the existence of such a remedy in § 503 as it was originally enacted. And the agency charged with administering the statute construes it to contain an implied remedy. Settled judicial authority requires that these indicia of congressional intent be given great persuasive value. Further, a private remedy is wholly consistent with the underlying statutory goals. The actions of Congress, the position of the agency charged with enforcing the statute, and judicial precedent make this certain beyond the slightest doubt. Finally, this area is not one pre-empted by state authority.

Having considered in great detail the factors identified by the Supreme Court as relevant to determining the congressional intent, I think there is only one reasonable conclusion: Congress intended qualified handicapped individuals to have a private remedy under § 503. The handicapped face two distinct barriers to full participation in our society—one physical or mental and the other attitudinal. For those individuals who have overcome the physical or mental barrier and established their qualifications, Congress has established protections, under the terms of § 503, from the invidious discrimination that results from the attitudinal barrier. Those protections include a private cause of action in the federal courts. The majority, by its niggardly approach to the inference of the private remedy, has denied this valuable right. Recent Supreme Court decisions have made it clear that private remedies are not lightly to be inferred. The majority, I fear, has overreacted to these words of caution and, instead of vindicating the Congressional purpose, defeat it. Their approach would, in my opinion, reduce *Cort* to ashes.

46. These cases reveal an additional reason for my conclusion on this factor. While Texas, where *Rogers* arises, has a statute protecting handicapped individuals from employment discrimination in some situations, Tex.Rev.Civ. Stat. Art. 4419e § 3(f) (1975), Georgia, where *Moon* arises, has no such statute.

APPENDIX

AFFIDAVIT OF WELDON J. ROUGEAU

Weldon J. Rougeau, Director of the Office of Federal Contract Compliance Programs, Department of Labor, being duly sworn, deposes and says:

1. The Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) is responsible for the enforcement of Section 503 of the Rehabilitation Act of 1973.

2. It is the position of the Office of Federal Contract Compliance Programs that complainants should have a private right of action under Section 503, and that they should be permitted to pursue such actions without first exhausting the Department of Labor's administrative process. While a person bringing a private action may seek individual or class relief, it is the Department's view that the sanctions of debarment, termination of contract funds, or the withholding of contract progress payments may be imposed on a contractor only by the Department.

3. OFCCP believes that a private right of action would be consistent with Congress' intent, and would greatly assist the Department of Labor's effort to enforce Section 503. Such assistance has become necessary because of the large backlog of Section 503 administrative complaints, which the Department of Labor, due to limited resources, will not be able to investigate and resolve expeditiously.

The following Department of Labor data on Section 503 administrative complaints, which were filed and processed for fiscal year 1978 and for the first three-quarters of fiscal year 1979, clearly illustrate the developing agency backlog:

	FY 78	FY 79 (1st ¾'s)
* Open Inventory	1270	1537
Complaints Received	2682	2004
** Cases Established	2027	1412
Cases Closed	1760	813
Ending Inventory	1537	2136

* Denotes established cases carried over from the previous fiscal year.

** Denotes cases where Section 503 coverage was established.

4. The Department of Labor disagrees with the district court's views in *Rogers v. Frito-Lay, Inc.*, 433 F.Supp. 200 (N.D.Tex.1977); *Anderson v. Erie Lackawanna Ry. Co.*, 468 F.Supp. 934 (N.D.Ohio [1979]), and *Wood v. Diamond State Telephone Co.*, 440 F.Supp. 1003 (D.Del.1977) that a private right of action would jeopardize informal efforts to resolve Section 503 complaints. The Department believes that the prospect of litigation would have a sobering effect on the parties concerned, and actually encourage informal conciliation. The Department, of course, acknowledges that in some situations conciliation efforts might be negatively affected. But it has concluded that when all relevant factors are weighed, including the Department's limited resources, the ultimate objective—that of effectively enforcing the statute—will best be served by permitting a private right of action.

/s/ Weldon J. Rougeau

In the Supreme Court of the United States

October Term, 1979
No. 79-1809

HOWARD L. MOON,
Petitioner,

vs.

ROADWAY EXPRESS, INC.,
Respondent.

BRIEF OF RESPONDENT ROADWAY EXPRESS, INC. IN OPPOSITION TO THE PETITION FOR WRIT OF CERTIORARI

CHARLES KELSO
ANN MARGARET POINTER
FISHER & PHILLIPS
3500 First National Bank Tower
Atlanta, Georgia 30383
Counsel for Respondent Roadway Express, Inc.

E. L. MENDENHALL, INC., 926 Cherry Street, Kansas City, Mo. 64106, (816) 421-3030

TABLE OF CONTENTS

OPINIONS BELOW 2

QUESTION PRESENTED 2

STATEMENT OF THE CASE 2

SUMMARY OF ARGUMENT 3

ARGUMENT AND CITATION OF AUTHORITY—

IN CONSIDERING WHETHER A PRIVATE CAUSE OF ACTION SHOULD BE INFERRED, THE COURT BELOW HAS PROPERLY FOCUSED ON ASCERTAINING CONGRESSIONAL INTENT 6

Introduction 6

I. Structure of Section 503 specifying Department of Labor Administration, considered with Sections 501 and 504, show congressional intent that Section 503 be enforced by agency action only 7

A. Section 503 specifies limited applicability and describes administrative enforcement mechanism 7

1. Section 503 promptly implemented by DOL 8

2. Regulations provide complaint procedure based on individual charges 8

3. Informal methods of achieving contractor compliance and employment for complainant preferred under regulations 9

4. Regulations attempt to guide contractors in ascertaining responsibilities under act 9

5. OFCCP has vigorously enforced act and regulations 10

B. By contrast, Sections 501 and 504 specifically contemplate private enforcement, at least since the 1978 Amendments adding Section 505 to the act 11

1. *Expressio unius est exclusio alterius* 13

2. Amendments to Title V compel conclusion that Court of Appeals ruling is correct 13

C. Recent Supreme Court decisions emphasize importance of actual statutory provisions as evidence of Congressional intent; Section 503's provision for administraitve remedy is strong evidence congress intended it as exclusive remedy 14

II. Legislative history, agency action and historical context in which Section 503 enacted provide further evidence that congress intended Section 503 enforcement solely through DOL-OFCCP proceedings 18

A. Oversight hearings by Congressional committees and hearings prior to 1978 Amendments reflect Congressional intent as to Section 503 enforcement 18

B. Congressmen and DOL administrators have understood Section 503 provides only for agency action since the act was first enacted 21

C. When Section 503 was enacted in 1973 and to the present, Congress has explicitly provided for private as well as DOL or other agency enforcement of employment laws when dual enforcement schemes were envisioned 24

D. Majority of courts considering Section 503 had refused to allow private actions when 1978 amendments passed 26

E. The instant case is different from cases in which private actions have been judicially inferred 27

F. Other historical factors and legislative history relied on by petitioners fail to show basis for inferring private action 28

III. Under Traditional *Cort* Analysis the Absence of Congressional intent to imply a private cause of action is clear 30

CONCLUSION 33

APPENDIX 35

TABLE OF CITATIONS

CASES

Anderson v. Erie Lackawanna Ry. Co., 458 F.Supp. 934 (E.D. Ohio 1979) 18, 27

Bivens v. Six Unknown Named Agents of the Federal Bureau of Narcotics, 403 U.S. 388 (1971) 28

Breitwieser v. KMS Industries, Inc., 467 F.2d 1391 (5th Cir. 1972), *cert. denied*, 410 U.S. 969 (1973) 26

Byrd v. Fieldcrest Mills, Inc., 496 F.2d 1323 (4th Cir. 1974) 26

Cannon v. University of Chicago, 441 U.S. 677 (1979) ..... *passim*

Chaplin v. Consolidated Edison Co. of New York, Inc., 482 F.Supp. 1165 (S.D. N.Y. 1980) 14, 18, 30

Chrysler Corp. v. Brown, 441 U.S. 281 (1979) 6

Coleman v. Noland Co., 21 FEP Cases 1248 (W.D. Va. 1980) 27, 28
Cort v. Ash, 422 U.S. 66 (1975) 30
Davis v. Passman, 442 U.S. 228 (1979) 6, 28
Dodd v. Blackstone Cleaners, Inc., 61 Lab. Cases ¶32,281 (N.D. Tex. 1969) 26
Doss v. General Motors Corp., 478 F.Supp. 139 (C.D. Ill. 1979) 27
Drennan v. Philadelphia General Hospital, 428 F.Supp. 809 (E.D. Pa. 1977) 27
Duran v. City of Tampa, 430 F.Supp. 75 (M.D. Fla. 1977) 27
Farkas v. Texas Instruments, Inc., 375 F.2d 629 (5th Cir.), *cert. denied*, 389 U.S. 977 (1967) 25
Farmer v. Philadelphia Electric Co., 329 F.2d 3 (3d Cir. 1964) 25
Flores v. George Braun Packing Co., 482 F.2d 279 (5th Cir. 1973) 26
Frontiero v. Richardson, 411 U.S. 677 (1973) 32
Gomez v. Florida State Employment Service, 417 F.2d 569 (5th Cir. 1969) 27-28
Hines v. Cenla Community Action Commission, Inc., 474 F.2d 1052 (5th Cir. 1973) 26
Hoopes v. Equifax, Inc., 22 FEP Cases 957 (S.D. Ohio 1977), *aff'd*, 611 F.2d 134 (6th Cir. 1979) 27
J. I. Case Co. v. Borak, 377 U.S. 426 (1964) 28
Jessup v. Chicago & Eastern Illinois R.R., No. 78-C-519 (N.D. Ill. 1978) 27
Jeter v. St. Regis Paper Co., 507 F.2d 973 (5th Cir. 1975) 26
Kissinger v. Reporters' Committee for Freedom of the Press, 48 USLW 4223 (1980) 6, 17, 29

Lau v. Nichols, 414 U.S. 563 (1974) 13
McDaniel v. University of Chicago, 548 F.2d 689 (7th Cir. 1977) 28
McKart v. United States, 395 U.S. 185 (1969) 31
Martinez v. Behring's Bearings' Service, Inc., 501 F.2d 104 (5th Cir. 1974) 26
Miglets v. Erie Lackawanna Ry. Co., 19 FEP Cases 379 (E.D. Ohio 1979) 27
Moon v. Roadway Express, Inc., 439 F.Supp. 1308 (N.D. Ga. 1977), *aff'd, sub nom. Rogers v. Frito-Lay, Inc.*, 611 F.2d 1074 (5th Cir. 1980) 2, 26
Moon v. Santa Fe Ry. Co., 22 FEP Cases 1252 (D. Kan. 1980) 27
National R.R. Passenger Corp. v. National Association of R.R. Passengers, 414 U.S. 453 (1974) 13
Rogers v. Frito-Lay, Inc., 433 F.Supp. 200 (N.D. Tex. 1977), *aff'd*, 611 F.2d 1074 (5th Cir. 1980) ..... *passim*
Russell v. Bartley, 494 F.2d 334 (6th Cir. 1974) 26
Scott v. Parham, 69 FRD 324 (N.D. Ga. 1975) 27
Touche Ross & Co. v. Redington, 442 U.S. 560 (1979) 6, 14, 30
Transamerica Mortgage Advisors, Inc. (TAMA) v. Lewis, 48 USLW 4001 (1979) 6, 15
UAW v. Hoosier Cardinal Corp., 383 U.S. 696 (1966) 31
United States v. Lovknit Manufacturing Co., Inc., 189 F.2d 454 (5th Cir. 1951) 26
Wood v. Diamond State Telephone Co., 440 F.Supp. 1003 (D. Del. 1977) 26-27, 30

STATUTES

7 U.S.C. §2050a 24
8 U.S.C. §1101(a)(15)(A)(ii) 26
8 U.S.C. §1182(a)(14) 26

15 U.S.C. §80b-6 ..... 15, 16
15 U.S.C. §80b-15 15
20 U.S.C. §1681 25
29 U.S.C. §185 24
29 U.S.C. §201 24
29 U.S.C. §206 24
29 U.S.C. §212 26
29 U.S.C. §216(a)(3) 26
29 U.S.C. §626 24
29 U.S.C. §651-78 26
29 U.S.C. §791 ..... *passim*
29 U.S.C. §793 ..... *passim*
29 U.S.C. §794 ..... *passim*
29 U.S.C. §794a 3, 4, 12, 13
41 U.S.C. §§35-45 26
41 U.S.C. §§351-57 26
42 U.S.C. §2000d 25
42 U.S.C. §2000e 24
42 U.S.C. §2796 26

Other Authorities Cited

41 C.F.R. §§60-741 *et seq.* 8, 22
41 C.F.R. §60-741.6(d) 10
41 C.F.R. §60-741.16(b) 8
41 C.F.R. §60-741.26(a) 8
41 C.F.R. §60-741(e) 9
41 C.F.R. §60-741.26(g)(1) 9
41 C.F.R. §60-741.26(g)(2) 9
41 C.F.R. §60-741.28 9
119 Cong. Rec. 7114 (1973) 22
Executive Order 11246 ..... 8, 25

39 Fed. Reg. 20566 (1974) 8
40 Fed. Reg. 39887 (1975) 9
41 Fed. Reg. 16147 (1976) 8, 9
41 Fed. Reg. 16148 (1976) 8, 9
43 Fed. Reg. 49276 (1978) 8
46 Fed. Reg. 40352 (1976) 25
Fiscal Year 1978 Hearings Before the Comm. on Appropriations [for the] Departments of Labor and Health, Education & Welfare and Related Agencies Appropriations, 95th Cong., 1st Sess. (1977) 23, 24
Hearings Before the Subcomm. on Select Education of the House Comm. on Education and Labor, 95th Cong., 1st Sess. (1977) 20
Hearings Before the S. Comm. on Governmental Affairs on Reorganization Plan No. 1 of 1978, 95th Cong. 2d Sess. (1978) 20
Hearings on the Rehabilitation Extension Amendments of 1977 Before the Subcomm. on the Handicapped of the Senate Comm. on Human Resources, 95th Cong., 1st Sess. (1977) 19-20
Oversight Hearings on Rehabilitation of the Handicapped Programs Before the Subcomm. on the Handicapped on the Subcomm. on Labor and Public Welfare, 94th Cong., 2d Sess. (1976) 10, 11, 19, 22
Oversight Hearings on the Rehabilitation Act of 1973 Before the Subcomm. on Select Education of the House Comm. on Education and Labor, 95th Cong., 2d Sess. (1978) 21
S. Rep. 96-316, 96th Cong., 1st Sess. (1979) 28
S. Rep. 93-1295, 93d Cong., 2d Sess., *reprinted in* [1974] U.S. Code Cong. & Ad. News, 6443 25
S. Rep. No. 93-1297, 93d Cong., 2d Sess., *reprinted in* [1974] U.S. Code Cong. & Ad. News, 6373 .....18, 22

White House Conference. *Equalizing the Handicap: A Guide to the Regulations of the Affirmative Action Requirements of Section 503 of the Rehabilitation Act of 1973* 10, 24

In the Supreme Court of the United States

October Term, 1979
No. 79-1809

HOWARD L. MOON,
Petitioner,

vs.

ROADWAY EXPRESS, INC.,
Respondent.

BRIEF OF RESPONDENT ROADWAY EXPRESS, INC. IN OPPOSITION TO THE PETITION FOR WRIT OF CERTIORARI

Respondent ROADWAY EXPRESS, INC. ("Roadway") respectfully urges the Court to deny Petitioner's request for issuance of a Writ of Certiorari to review the decision of the Court of Appeals for the Fifth Circuit. The Court of Appeals affirmed the decision of the United States District Court holding that there is no private cause of action under Section 503 of the Rehabilitation Act, as amended ("the Act"), 29 U.S.C. §793. The decisions below are required by applicable precedent of this Court and by Congressional intent with respect to enforcement of that provision.

OPINIONS BELOW

The opinion of the United States District Court for the Northern District of Georgia in *Moon v. Roadway Express, Inc.* is reported at 439 F.Supp. 1308 (N.D. Ga. 1977). The United States District Court for the Northern District of Texas also found no private cause of action should be inferred under Section 503 in *Rogers v. Frito-Lay, Inc.*, 433 F.Supp. 200 (N.D. Tex. 1977).

Plaintiffs Moon and Rogers appealed these decisions, and the cases were consolidated for review by the Court of Appeals on December 14, 1977. Its decision holding that no private cause of action is implied under Section 503 is reported as *Rogers v. Frito-Lay, Inc.*, 611 F.2d 1074 (5th Cir. 1980). Rogers has also filed a Petition for Writ of Certiorari. The Docket Number assigned by the Clerk of this Court to the *Rogers* case is 79-1810, and this Brief responds to the issues raised in both Petitions for Certiorari.

QUESTION PRESENTED

Whether a private cause of action should be inferred under Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793.

STATEMENT OF THE CASE

Petitioners Moon and Rogers are handicapped individuals who allege they were discharged by their former employers, Roadway and Frito-Lay, in violation of the Rehabilitation Act's Section 503 obligations on federal contractors. Roadway and Frito-Lay deny they have violated the Act, but the narrow issue presented here concerns only federal court jurisdiction to hear an action based on this statute which explicitly provides only for administrative agency

enforcement. They contend, as all of the courts below have found, that the Act itself, its legislative history and other expressions of Congressional intent confirm that Congress intended Section 503 to be enforced through agency action in accordance with Section 503(b), not through private lawsuits initiated by and controlled by private litigants. Individuals who believe the Act has been violated "may file a complaint with the Department of Labor" which must take action to investigate the matter and to ensure compliance with the law. Section 503(b), 29 U.S.C. 793(b).

SUMMARY OF ARGUMENT

Title V of the Rehabilitation Act of 1973, as amended, contains three sections which are relevant to this case. Section 503, the provision here in issue, requires certain federal contractors to take affirmative action to employ qualified handicapped individuals. Section 501 requires federal employers to take affirmative action to employ handicapped individuals and Section 504 provides that federal grantees may not discriminate based on handicap.[1]

As originally enacted, Title V provided an enforcement mechanism only for Section 503. Under Section 503(b) the Department of Labor must investigate and take action on complaints filed by individuals who believe the provision has been violated. The Department of Labor promptly issued Regulations designed to implement Section 503 and delegated enforcement responsibility to the Office of Federal Contract Compliance Programs (OFCCP). These Regulations were developed in consultation with the House and Senate Committees responsible for overseeing com-

---

1. Section 503 as well as Sections 501, 504 and 505 of Title V of the Act are set forth in an Appendix which begins at page 30. These provisions are codified as 29 U.S.C. §§791, 793, 794 and 794a.

pliance with Section 503. The Regulations express preference for obtaining voluntary contractor compliance through conciliation and persuasion. Nonetheless, the Regulations provide for agency enforcement of the Section 503 obligation on behalf of individual complainants through court actions, through withholding progress payments on jobs, through terminating of contracts, and through debarring contractors from doing business with the government. 41 CFR §60-741.28.

While as originally enacted Sections 501 and 504 did not provide any statutory means for enforcement, in 1978 Congress added enforcement mechanisms for these provisions by adding a new section to the Act. Now Section 501 complainants are entitled to the remedies, procedures and rights set forth in Section 717 of the Civil Rights Act of 1964. 29 U.S.C. §794a(a)(1). Section 504 complainants may enforce its provisions using the remedies, procedures and rights set forth in Title VI of the Civil Rights Act of 1964. 29 U.S.C. §794a(a)(2).

Recent Supreme Court decisions have emphasized the importance of statutory provisions as evidence of Congressional intent. If it were not already clear from the structure of Section 503(b) since it provides for an administrative enforcement procedure, the 1978 Amendments giving private court enforcement procedures under Sections 501 and 504, but not changing Section 503, should make Congressional intent with respect to Section 503 absolutely clear.

When the legislative history of Title V's provisions, actions and statements by the Department of Labor, and the historical context within which Section 503 was enacted are considered, the correctness of the decision of the Court below is even more evident. On at least five occasions between 1976 and 1978, spokesmen for organizations

representing handicapped individuals asked House and Senate Committees to amend the provisions of Title V to provide explicitly for private causes of action in Court. These individuals specifically told the Committees that the Courts were not inferring Congressional intent to permit private actions under any provision of Title V, and they asked that Title V be amended for that purpose. As discussed above, in 1978 Amendments were made to Sections 501 and 504 but not to Section 503.

In fact, throughout the period since enactment of Section 503, Congressmen and Agency officials have publicly discussed the enforcement mechanisms under Section 503 with pregnant omission of any reference to a private cause of action under that provision. When Section 503 was enacted in 1973 and to the present, if Congress wished to provide for private, as well as agency enforcement of employment-related laws, it has provided for dual enforcement mechanisms in the statutes. In sum, all indicia of legislative intent require conclusion that Congress did not intend to permit a private action under Section 503.

ARGUMENT AND CITATION OF AUTHORITY

IN CONSIDERING WHETHER A PRIVATE CAUSE OF ACTION SHOULD BE INFERRED, THE COURT BELOW HAS PROPERLY FOCUSED ON ASCERTAINING CONGRESSIONAL INTENT

Introduction

Within the past year the Court has decided six cases[2] in which it was asked to infer the existence of a private cause of action where one was not statutorily or constitutionally provided. In these cases the Court has reemphasized that the duty of the judiciary is to ascertain legislative intent with respect to enforcement procedures and to avoid decisions based on judicial notions of how laws might be enforced more vigorously or what Congress should have provided.

As the court below recognized, the federal courts are not common law courts of general jurisdiction. *Rogers v. Frito-Lay, Inc.*, 611 F.2d 1074, 1078 (5th Cir. 1980). As Roadway will show, the precedent relied on by Petitioners Moon and Rogers ignores compelling evidence of contrary Congressional intent, in favor of permitting private actions to foster certain judicial notions of efficiency of enforcement or social policy.

---

2. *Kissinger v. Reporters' Committee for Freedom of the Press*, 48 USLW 4223 (1980); *Transamerica Mortgage Advisors, Inc. (TAMA) v. Lewis*, 48 USLW 4001 (1979); *Touche Ross & Co. v. Redington*, 442 U.S. 560 (1979); *Davis v. Passman*, 442 U.S. 228 (1979); *Cannon v. University of Chicago*, 441 U.S. 677 (1979); *Chrysler Corp. v. Brown*, 441 U.S. 281 (1979).

I.

Structure of Section 503 Specifying Department of Labor Administration, Considered With Sections 501 and 504, Show Congressional Intent That Section 503 Be Enforced by Agency Action Only

A. Section 503 Specifies Limited Applicability and Describes Administrative Enforcement Mechanism

While one goal of the Act is to provide education and training for employment for all employable handicapped individuals, only employers with federal government contracts in excess of $2,500 are covered by Section 503. These contractors must take affirmative action to employ qualified handicapped individuals, unless the President determines the national interest requires waiver of this obligation.

Section 503(a) directs the President to promulgate regulations to implement the Act. Section 503(b) is very comprehensive in explaining how the Act is to be enforced and provides:

> If any handicapped individual believes any contractor has failed or refuses to comply with the provisions of his contract . . . [to take affirmative action] relating to employment of handicapped individuals, such individual may file a complaint with the Department of Labor The Department shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant, consistent with the laws and regulations applicable thereto.

Section 503(b), 29 U.S.C. §793(b). The Act clearly requires the Department of Labor ("DOL") to investigate and to act upon each individual complaint.

1. Section 503 Promptly Implemented by DOL

The President delegated responsibility for promulgation of Section 503 Regulations to the DOL in Executive Order Number 11758, Section 2. The DOL published immediately effective regulations on June 11, 1974. 39 Fed. Reg. 20566. Current regulations incorporating the 1974 amendments to the Act have been in effect since April 16, 1976 and were published at 41 Fed. Reg. 16147; 41 C.F.R. §60-741, *et seq.*[3]

The Regulations give the DOL's Office of Federal Contract Compliance Programs (OFCCP) responsibility for enforcement of the Act, describe in detail the DOL-OFCCP mechanisms for enforcement and spell out contractor obligations and rights under Section 503. 41 Fed. Reg. 16147, 16148 (1976).

2. Regulations Provide Complaint Procedure Based on Individual Charges

Any employee of a covered federal contractor or applicant for employment with such a contractor may file a written complaint with the OFCCP if he believes that the Act or its Regulations have been violated. 41 C.F.R. §60-741.26(a). If the contractor has an internal review procedure for resolution of such complaints, the complaint must first be referred to the contractor. If there is no resolution "satisfactory to the complainant" within 60 days of the referral, the OFCCP must take over the case. 41 C.F.R. §60-741.16(b). Under Section 503(b), the OFCCP must institute a prompt investigation of *each* case, and the

---

3. They were republished on October 20, 1978 at 43 Fed. Reg. 49276 (1978) after the DOL-OFCCP assumed responsibility for contractor compliance with Executive Order 11246, but no substantive changes were made in the Regulations affecting Section 503.

OFCCP is responsible for developing a complete case record in each matter. 41 C.F.R. §60-741.26(e).

If the OFCCP complaint investigation indicates no violation or if the agency decides not to initiate administrative or legal proceedings against the contractor, the complainant must be notified of the agency's decision. The individual may request review of the OFCCP finding or decision with 30 days. 41 C.F.R. §60-741.26(g)(1).

3. Informal Methods of Achieving Contractor Compliance and Employment for Complainant Preferred Under Regulations

If the OFCCP concludes that the contractor has not complied with the Act or Regulations, the agency must attempt to secure voluntary compliance through conciliation and persuasion. 41 C.F.R. §60-741.26(g)(2). Informal means are preferred over judicial or other more harsh procedures and must be used "whenever possible." Where an apparent violation is not resolved by these means, the Regulations direct the agency to take enforcement action. It may seek judicial enforcement of the Section 503 obligation, withhold progress payments on a job, terminate a contract and debar a contractor from doing business with the government. 41 C.F.R. §60-741.28.

4. Regulations Attempt to Guide Contractors in Ascertaining Responsibilities Under Act

One purpose for revising the Regulations in 1976 was "to give contractors more specific and detailed information regarding the extent of their obligations." *See* proposed Regulations 40 Fed. Reg. 39887 (Aug. 29, 1975) and the final Regulations, 41 Fed. Reg. 16147, 16148 (April 16, 1976). They make it clear that while contractors must recruit and employ handicapped persons, the extent of a

particular contractor's accommodation obligation must take into account business necessity, financial costs and expenses and other relevant factors. 41 C.F.R. §60-741.6(d).

5. OFCCP Has Vigorously Enforced Act and Regulations

In May, 1976, OFCCP Director Lawrence Lorber reviewed his agency's accomplishments in enforcing Section 503 before the Senate Subcommittee on the Handicapped and responded to Senator Williams' questions. He emphasized that the OFCCP has enforced Section 503 vigorously through its complaint procedures as well as through an extensive public information program designed to inform contractors about their Section 503 obligations. Oversight Hearings on Rehabilitation of the Handicapped Programs before the Subcomm. on the Handicapped of the Subcomm. on Labor and Public Welfare, 94th Cong., 2d Sess., pt. 3, 1579, 1595 (1976) ("1976 Oversight Hearings").

The OFCCP has worked extensively with the President's Committee on Employment of the Handicapped and with the Department of Health, Education and Welfare. Only one example of the public information aspect of the Section 503 enforcement program is the White House meeting held in 1975 to explain the Act's requirements to government contractors, union leaders, rehabilitation experts and representatives of the handicapped. As a result of this meeting, a layman's guide to the law was published for public distribution. *White House Conference. Equalizing the Handicap: A Guide to the Regulations of the Affirmative Action Requirements of Section 503 of the Rehabilitation Act of 1973.* ("White House Rep."). The Report states that Section 503 programs are not punitive in approach but rather that enforcement focuses on encouraging "employers to hire qualified handicapped people." White House Rep. at 8.

While the OFCCP has attempted to change stereotyped ideas concerning the abilities of handicapped individuals, it has also vigorously investigated individual complaints. By April 1, 1976, the OFCCP had received approximately 780 complaints of which over 400 had been closed satisfactorily to both complainant and contractor. The OFCCP averaged only 86 days between receipt of a complaint and final action on it. 1976 Oversight Hearings, pt. 3 at 1579, *et seq.*

In cases where it found coverage as well as a violation, the OFCCP has secured employment for complainants. Moreover, if the investigations disclosed company-wide problems, the OFCCP had obtained commitments on future compliance; where backpay was deemed necessary, it had been sought on behalf of the individual complainants or affected class. 1976 Oversight Hearings, pt. 3 at 1581, 1585-1586.

B. By Contrast, Sections 501 and 504 Specifically Contemplate Private Enforcement, at Least Since the 1978 Amendments Adding Section 505 to the Act

While Section 503 creates an agency enforcement mechanism for carrying out its obligation, the Acts Title V Section 501 (which governs federal employers) and Section 504 (which governs federal grantees) contain no statutory mechanisms for enforcement. Roadway urges that clear Congressional intent to enforce Section 503 through the DOL-OFCCP is apparent when one compares the three provisions.

Under Section 501, "[e]ach department, agency, and instrumentality" was required "within one hundred and eighty days after September 26, 1973" to "submit to the Civil Service Commission and to the [Federal Government Interagency Committee on the Handicapped Employees]

an affirmative action program plan for the hiring, placement, and advancement of handicapped individuals in such department, agency or instrumentality." 29 U.S.C. §791.

As will be discussed at pages 18-21 *infra*, in House and Senate Committee proceedings prior to passage of the 1978 Amendments to the Act, spokesmen for organizations representing handicapped individuals urged amendment of Title V of the Act to provide for private court actions under Sections 501, 503 and 504. The 1978 Amendments in fact added Section 505(a)(1) which provides:

> The remedies, procedures, and rights set forth in section 717 of the Civil Rights Act of 1964, including application of section 706(f) through 706(k), shall be available, with respect to any complaint under section 791 of this title, to any employer or applicant for employment aggrieved by the final disposition of such complaint, or by the failure to take final action on such complaint. In fashioning an equitable or affirmative action remedy under such section, a court may take into account the reasonableness of the cost of any necessary work place accommodation, and the availability of alternatives therefor or other appropriate relief in order to achieve an equitable and appropriate remedy.

29 U.S.C. §794a(a)(1).

Under Section 504, federal grant recipients may not discriminate based on handicap. It provides:

> No otherwise qualified handicapped individual in the United States, as defined in Section 706(6) of this title, shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance.

29 U.S.C. §794. Like Section 501, Section 504 by its terms does not provide for administrative or court enforcement. Again, in the face of petitions by spokesmen for organizations representing handicapped individuals for creation of a private enforcement right, the 1978 Congress added a remedy and procedure section to Title V which governs Section 504 actions. Section 505(a)(2) provides:

> The remedies, procedures, and rights set forth in title VI of the Civil Rights Act of 1964 shall be available to any person aggrieved by any act or failure to act by any recipient of Federal assistance or Federal provider of such assistance under section 794 of this title.

29 U.S.C. §794a(a)(2).

1. *Expressio Unius Est Exclusio Alterius*

Where, as here, a statute creates a particular remedy or means of enforcement, the courts have long been wary of assuming the legislature intended to create others. *National R.R., Passenger Corp. v. National Association of R.R. Passengers*, 414 U.S. 453, 458 (1974).

2. Amendments to Title V Compel Conclusion That Court of Appeals Ruling Is Correct

Because Section 503 has a means of administrative enforcement and is flanked by sections which originally contained no enforcement mechanism but were amended to provide for federal court actions,[4] Congress' refusal to amend Section 503 can only be interpreted as compelling evidence of Congressional intent that no private cause of

---

4. Clearly Section 501 plaintiffs may file court actions after exhaustion of agency procedures. *Cannon v. University of Chicago*, 441 U.S. 677 (1979) and *Lau v. Nichols*, 414 U.S. 563 (1974) which discuss rights under Title VI suggest that Section 504 plaintiffs may not be required to exhaust any agency procedures before initiating court actions.

action be allowed under Section 503. Its refusal to add to existing procedures under Section 503 calls for affirmance of the decision below even if there were no other factors supporting that decision.

C. Recent Supreme Court Decisions Emphasize Importance of Actual Statutory Provisions As Evidence of Congressional Intent; Section 503's Provision for Administrative Remedy Is Strong Evidence Congress Intended It As Exclusive Remedy

As the Court reiterated in *Touche Ross & Co. v. Redington,* 442 U.S. 560, 61 L.Ed.2d 82, 91 (1979), even if one assumes a federal statute has been violated:

> and some person harmed [that fact] does not automatically give rise to a private cause of action in favor of that person . . . instead, our task is limited solely to determining whether Congress intended to create the private right of action . . . and as with the case involving the interpretation of a statute, *our analysis must begin with the language of the statute itself.*

Id., 442 U.S. at 568, 61 L.Ed.2d at 91 (emphasis supplied).

The argument that the handicapped would benefit from making a private action available is simply not a proper basis from which to imply a private action.[5] Just as in *Touche Ross,* where the Court refused to infer such a right the provision in issue here is "flanked by provisions" which "expressly grant private causes of action." *Id.,* 442 U.S. at 571-572, 61 L.Ed.2d at 93.

The importance of Congressional expression of its intention with respect to enforcement through the language

---

5. The decision in *Chaplin v. Consolidated Edison Co. of New York, Inc.,* 482 F.Supp. 1165, 1171 (S.D. N.Y. 1980), in which a private action under Section 503 was held available relies on this improper basis.

and structure of a statute was stated again in *Transamerica Mortgage Advisors, Inc. (TAMA) v. Lewis,* 48 USLW 4001 (1979). The Court was urged to find a private cause of action under both Sections 206 and 215 of the Investment Advisers Act of 1940, 15 U.S.C. §§80b-6 and 80b-15. Section 206 of the Act makes it unlawful for any investment adviser "to employ any device, scheme or artifice to defraud . . . or to engage in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client" or to engage in specified transactions without making required disclosures. Section 215 provides that contracts whose formation or performance would violate the Act "shall be void . . . ."

First, the Court warned against placing undue "emphasis upon the desirability of implying private rights of action in order to provide remedies sought to effectuate the purposes of a given statute. . . ." *Transamerica, supra,* 48 USLW at 4002.

Then, distinguishing Sections 206 and 215, the Court decided it should infer a private action under Section 215 because its language "fairly implies a right to specific and limited relief in a federal court." *Id.*, 48 USLW at 4003. Since the provision declares certain types of contracts void, by its own terms the provision necessarily contemplates that the issue of voidness may be litigated. Congress must have assumed that Section 215 could be raised defensively in private litigation, but "the legal consequences of voidness are typically not so limited. A person with the power to void a contract ordinarily may resort to a Court to have the contract rescinded and to obtain restitution of consideration paid." *Id.*, 48 USLW at 4003. Thus, in accordance with the "typical" and "ordinary" consequence of voidness, the language of Section 215 was held to express

Congressional intent that a limited private action be available under that section.

Section 206 was held not to imply availability of private cause of action. Other provisions of the Investment Advisers Act do provide specific mechanisms for enforcement of Section 206. For example, Section 209 authorizes the Securities Exchange Commission to bring suit in federal court to enjoin violations of the Act or Rules promulgated under it. Express damage remedies are provided for misrepresentation in Section 11(a) of the Securities Act of 1933 and for certain material and misleading statements in Section 18(a) of the Securities Exchange Act of 1934. The Court reiterated, "[o]bviously, then, when Congress wished to provide a private damage remedy, it knew how to do so and did so expressly." *Id.*, 48 USLW at 4004.

As the Court of Appeals below found with respect to Section 503:[6]

> [Section] 206 simply proscribes certain conduct, and does not in terms create or alter any civil liabilities. If monetary liability to a private plaintiff is to be found, it must read it into the Act. Yet it is an elemental canon of statutory construction that where a statute expressly provides a particular remedy or remedies, a Court must be chary of reading others into it. "When a statute limits a thing to be done in a particular mode, it includes the negative of any other mode." . . . Congress expressly provided both judicial and administrative means for enforcing compliance with §206 . . . In view of these express provisions for enforcing the duties imposed by §206, it is highly improbable that "Congress absent-mindedly forgot to

---

6. *Rogers v. Frito-Lay, Inc.*, 611 F.2d 1074, 1079 (5th Cir. 1980).

> mention an intended private action." *Cannon v. University of Chicago,* [441 U.S. at .....] (Powell, J., dissenting).

Transamerica, supra, 48 USLW at 4003.[7]

Roadway respectfully urges that, following these recent cases, the statutory language of Section 503 providing for an administrative remedy, considered with Sections 501 and 504 (its companion provisions of Title V), and with Section 505(a) granting actions under Sections 501 and 504 fully attest Congressional intent that enforcement procedures under Section 503 be limited to those provided by the Department of Labor-OFCCP under Section 503(b)(2). The legislative history of Section 503 and related provisions of Title V confirm the correctness of Roadway's analysis of Congressional intent, and unlike the history presented in *Cannon v. University of Chicago,* 441 U.S. 677 (1979), does not suggest that a private cause of action should be inferred.

---

7. Again, in *Kissinger v. Reporters' Committee for Freedom of the Press,* 48 USLW 4223 (1980), the Court said it:

> has spent too many pages identifying the factors relevant to uncovering congressional intent to imply a private cause of action to belabor the topic [citations omitted]. Our most recent pronouncement on the subject, *Transamerica Mortgage Advisors, Inc. v. Lewis,* ..... U.S. ..... (1979), readily disposes of the question. First, the language of the Records Acts merely "proscribe certain conduct" and do not "create or alter any civil liabilities." *Id.,* at ..... The Records Acts also expressly provides administrative remedies for violations of the duties it imposes, implicating our conclusion in *Transamerica Mortgage* that it is "an elemental canon of statutory construction that where a statute expressly provides a particular remedy or remedies, a court must be chary of reading others into it." *Id.,* at ..... Finally, the legislative history does not detract from the inference to be drawn from Congressional silence, but rather confirms that such silence is purposeful.

Id., 48 USLW at 4226.

II.

Legislative History, Agency Action and Historical Context in Which Section 503 Enacted Provide Further Evidence That Congress Intended Section 503 Enforcement Solely Through DOL-OFCCP Proceedings

As recognized by the Court in *Rogers, supra,* 611 F.2d at 1081, there is scant legislative history explaining Congressional intent with respect to Section 503 at the time the Act was enacted in 1973 or even when the Act was amended to expand the definition of "handicap" in 1974. One Senate Report states the Committee's intent "that Sections 503 and 504 should be administered in a 'consistent' manner." S. Rep. No. 93-1297, 93d Cong., 2d Sess., 27, *reprinted in* [1974] U.S. Code Cong. & Ad. News, 6373, 6390-91. In the next paragraph of the Report, the Senate directs the Secretary of Health, Education & Welfare to coordinate the Section 504 enforcement. This brief reference to consistency and uniformity in the federal approach to discrimination directs DOL and HEW "not to work at cross purposes or to duplicate each other's efforts and was not intended to suggest "that identical methods of enforcement were envisioned", even if one assumes a federal cause were available under Section 504 before 1978. *Anderson v. Erie Lackawanna Ry. Co.,* 458 F.Supp. 934, 939 (E.D. Ohio 1979); *Chaplin v. Consolidated Edison Co. of New York, Inc.,* 482 F.Supp. 1165, 1169 (S.D. N.Y. 1980); *Rogers, supra,* 611 F.2d at 1081.

A. Oversight Hearings by Congressional Committees and Hearings Prior to 1978 Amendments Reflect Congressional Intent As to Section 503 Enforcement

While caution must be exercised in relying on post-enactment expressions of Congressional intent, *Cannon v.*

University of Chicago, 441 U.S. 677, 686, n.7 (1979), where, as here, Congress has amended provisions of a statute in light of hearing testimony and Congressional comments, these legislative materials are weighty evidence of intent. On at least five occasions since 1974, spokesmen for various organizations representing the interests of handicapped individuals have specifically criticized Title V as constituted before the 1978 Amendments for failing to provide explicitly for private causes of action in Sections 501, 503 and 504, and they have petitioned Congress to amend those sections. In 1976, Senator Williams, Chairman of the Senate Committee on Labor and Public Welfare, and the other members of the Committee were asked to amend Section 503 specifically to permit private suits by individuals. 1976 Oversight Hearings, pt. 3, 1623-24 (1976) (statements of Ms. Farham and Mr. Goldberg).

A similar request was made by Debrah Kaplan on behalf of the Disability Rights Center in 1977. In hearings on proposed amendments to Section 501, Ms. Kaplan requested an amendment to provide "a legal right of action into Federal Court." She pointed out that:

> Some [Section 501 plaintiffs] have had their cases dismissed [from Federal Court] because the statute does not provide for a private right of action. Other Courts have realized that the Congressional intent for such a right can be found in other statutes or implied by the existence of Section 501 itself. However, since the Courts are divided on this issue, *it is imperative that Congress act, and specify that the disabled have the same rights as others to proceed into Court.*

Hearings on the Rehabilitation Extension Amendments of 1977 before the Subcomm. on the Handicapped of the

Senate Comm. on Human Resources, 95th Cong., 1st Sess., 393, 395 (1977) (emphasis supplied).

Speaking to the Senate Committee on Governmental Affairs, Mr. Reese Robrahan urged passage of H.R. 9804 (the Civil Rights Act of 1977), specifically because it would provide:

> A right of action for handicapped persons, eliminating the existing question as to whether such a right of action exists for handicapped persons under Section 501 and Section 503 of the Rehabilitation Act, as amended.

Hearings before the S. Comm. on Governmental Affairs on Reorganization Plan No. 1 of 1978, 95th Cong., 2d Sess., 450-51 (1978) (statement of Reese S. Robrahan, Esquire, on behalf of the American Coalition of Citizens with Disabilities and the American Council of the Blind).

The House of Representatives was also informed that the Courts were not implying private causes of action from the provisions of Title V as originally enacted. On September 12, 1977, Mr. Robrahan urged the House Subcommittee on Select Education to:

> Recommend the introduction of a Bill or Bills which would: (1) create an express individual right of action before the judiciary under Sections 501, 503 and 504, of the Rehabilitation Act of 1973 . . . like those provided for in other similar civil rights statutes. . . .

Hearings before the Subcomm. on Select Education of the House Comm. on Education and Labor, 95th Cong., 1st Sess., 164 (1977) (statement of Reese H. Robrahan, Esquire, on behalf of the American Council of the Blind and the American Coalition of Citizens with Disabilities).

In more recent hearings before the same Subcommittee on April 11, 1978, Ms. Kaplan urged amendment of Section

501 because under the pre-amendment provisions of Title V, a Section 501 "complainant will not be able to have access to the federal courts, as is true for complainants alleging discrimination based on race or sex, until they have exhausted their administrative remedies. . . ." Further, she expressed concern since there was then no statute expressly authorizing civil action after exhaustion of agency procedures, review by federal court of any agency action would be limited in scope. Oversight Hearings on the Rehabilitation Act of 1973 before the Subcomm. on Select Education of the House Comm. on Education and Labor, 95th Cong., 2d Sess., 666, 674-75 (1978) (statement of Debrah Kaplan, Director, Disability Rights Center).

As recognized by the Court in *Cannon v. University of Chicago*, 441 U.S. 677 (1979), it is imperative that the complete legislative history of a law be studied to ascertain Congressional intent with respect to enforcement. Roadway urges that if prior tothe 1978 amendments it were already clear to the Congressional committees that private causes of action then existed under Sections 501, 503 and 504, there should be some evidence of this fact through the several colloquies between Congressmen and the organization representatives cited above. If no amendments to Title V had been made in 1978, the absence of any response by Congress on this issue might be somewhat more equivocal, but that Congress acted to provide procedures for Court action in Sections 501 and 504 without changing Section 503 is weighty evidence of Congressional intent as to Section 503 enforcement.

B. Congressmen and DOL Administrators Have Understood Section 503 Provides Only for Agency Action Since the Act Was First Enacted

Representative Vanik, who introduced Section 503 and actually wrote Section 503(b), was apparently satisfied

that the administrative mechanism was adequate to ". . . establish protections and mechanisms in the law" as he described the provision to his colleagues. 119 Cong. Rec. 7114 (1973).

Shortly after passage of the Act, the Senate Committee charged with overseeing enforcement of the Rehalibitation Act noted that the DOL had worked closely with the staff of the Senate Subcommittee on Labor and Public Welfare and the House Committee on Education and Labor to develop regulations and enforcement policies "to ensure that the implementation of the provisions of the Act would be accomplished in accordance with the intent of Congress." S. Rep. 93-1297, 93d Cong., 2d Sess., *reprinted in* [1974] U.S. Code Cong. & Ad. News, 6376).

In 1976, while explaining the provisions of the final Section 503 regulations to the Senate Subcommittee on the Handicapped, OFCCP Director Lawrence Lorber noted that the final regulations were developed in close consultation with the Senate Committee and Subcommittee in order to "mirror the Congressional intent and provide a vehicle for effective enforcement of the statute." 1976 Oversight Hearings, pt. 3, at 1592.

During the 1976 Oversight Hearings, the Subcommittee inquired into the methods and efficiency of the OFCCP in investigating and enforcing Section 503 complaints. Mr. Lorber tracked the provisions of the DOL regulations, 41 CFR §§60-741, *et seq.*, from the filing of a complaint through administrative appeal of a decision. 1976 Oversight Hearings, pt. 3, at 1601-02, 1615. He noted the agency's position that an aggrieved party may obtain review of final agency action on a complaint by the federal court. 1976 Oversight Hearings, pt. 3, at 1602.

More recently during the fiscal year 1978 Appropriations Hearings, Senator Eagleton questioned Harold Rus-

sell, the Chairman of the President's Committee on the Handicapped, and John B. Mumford, the Acting Assistant Secretary for the DOL's Employment Standards Division, which oversees the OFCCP. In their colloquy concerning the Section 503 enforcement program, it is clear that the DOL, as well as Congress, then viewed the OFCCP administrative procedure as the only complaint procedure authorized under Section 503.

> Senator Eagleton. What remedy is available for a handicapped individual who seeks employment in a private company and that employment is denied him, and he thinks he can prove it was denied him because he was handicapped, yet he thinks he can do the job for which he applied?
>
> Mr. Russell. He can file a complaint with the Department of Labor with all of the data necessary. The Department of Labor will take action to reconcile, investigate it, and bring forth the action necessary to give this individual the opportunity to see if his claim is valid.
>
> Senator Eagleton. If need be, a hearing and hearing examiner in the Department will hear the grievance?
>
> Mr. Mumford. That's right.

Fiscal Year 1978 Hearings before the Comm. on Appropriations [for the] Departments of Labor and Health, Education & Welfare and Related Agencies Appropriations, 95th Cong., 1st Sess., 271 (1977) ("1978 Fiscal Year Hearings").

The President's Commission on the Handicapped is charged with providing information on Section 503 rights and responsibilities to the public. That it consistently refers only to the DOL-OFCCP complaint procedure pro-

vides additional strong evidence that only DOL enforcement of Section 503 was envisioned by Congress. The Commission on the Handicapped has flatly stated that "[t]he Department of Labor's decision is final" on Section 503 complaints. 1978 Fiscal Year Hearings at 270; White House Rep. at 8.

C. When Section 503 Was Enacted in 1973 and to the Present, Congress Has Explicitly Provided for Private As Well As DOL or Other Agency Enforcement of Employment Laws When Dual Enforcement Schemes Were Envisioned

Private causes of action are specifically authorized in addition to agency action in many federal employment statutes. *See, e.g.*, the Equal Pay Act, 29 U.S.C. §206, passed in 1963; the Age Discrimination in Employment Act, 29 U.S.C. §626, passed in 1967; the Fair Labor Standards Act, 29 U.S.C. §201, passed in 1938; the Civil Rights Act of 1964, 42 U.S.C. §2000e-5, as amended in 1972; the National Labor Relations Act, 29 U.S.C. §185, as amended in 1947; and the Farm Labor Contractor Registration Act, 7 U.S.C. §2050a, as amended in 1974.

Notably, Congress did not provide for private actions under Title VII, the NLRA, or FLCRA until it had an opportunity to study operation of these Acts and to determine whether other remedies should be provided. In 1974 when FLRCA was amended, the Rehabilitation Act was also amended without change in regard to enforcement. In providing for a private cause of action under FLCRA, Congress was definite in both its statutory language and in its comments on the purpose for that amendment. It was expressly concerned that under the pre-amendment statute there was a "lack of adequate statutory authority . . . to deter and correct abuses of migrant workers . . .,"

and it stated that the amendment "creates a federal civil remedy for persons aggrieved." S. Rep. 93-1295, 93d Cong., 2d Sess., *reprinted in* [1974] U.S. Code Cong. & Ad. News, 6443-50.

As the Court recognized in *Cannon v. University of Chicago,* 441 U.S. 677 (1979), post-1972 Supreme Court decisions have applied a strict approach to consideration of whether a private cause of action should be implied under a statute if, as in the instant case, the class of persons intended to be benefited by the statute does have the ability to activate and to participate in a statutorily provided administrative complaint procedure.

When the Rehabilitation Act was passed in 1973, it was already apparent that the Courts were not going to infer a private cause of action under its models, Executive Order 11246 or its predecessor Order 10925, which impose fair employment obligations on government contractors with respect to race, sex, religion, color and national origin. By 1976, even the Department of Labor recognized that the Order "does not create a private right to action against the contractor which the complainant may pursue in a Court of law. . . ." 46 Fed. Reg. 40352 (1976). *Farkas v. Texas Instruments, Inc.,* 375 F.2d 629 (5th Cir.), *cert. denied,* 389 U.S. 977 (1967); *Farmer v. Philadelphia Electric Co.,* 329 F.2d 3, 8 (3rd Cir. 1964), Congressional apprehension of how Section 503 would be interpreted was not colored as it may have been with respect to Title IX of the Education amendments of 1972, 20 U.S.C. §§1681, *et seq.*[8]

---

8. Title IX which adds sex as a prohibited classification is modeled on Title VI of the Civil Rights Act of 1964, 42 U.S.C. §2000d. "[T]he critical language in Title VI had already been construed as creating a private remedy." *Cannon v. University of Chicago,* 441 U.S. at ....., 60 L.Ed.2d at 575.

By 1973 and throughout the decade, the Courts refused to infer private causes of action under numerous statutes governing the employee-employer relationship.[9]

D. Majority of Courts Considering Section 503 Had Refused to Allow Private Actions When 1978 Amendments Passed

As reflected in the testimony of at least five witnesses before Congressional Committees prior to 1978, decisions holding no private action should be inferred under Section 503 had been reached by the Courts in *Moon v. Roadway Express, Inc.*, 439 F.Supp. 1308 (N.D. Ga. 1977); *Rogers v. Frito-Lay, Inc.*, 433 F.Supp. 200, 202 (N.D. Texas 1977); *Wood v. Diamond State Telephone Co.*, 440 F.Supp. 1003

---

9. *See, e.g.*, the following decisions of the Court of Appeals for the Fifth Circuit and cases cited therein. *United States v. Lovknit Manufacturing Co., Inc.*, 189 F.2d 454 (5th Cir. 1951) (employee has no implied private cause of action under Walsh-Healey Act, 41 U.S.C. §§35-45); *Dodd v. Blackstone Cleaners, Inc.*, 61 Lab. Cases ¶32,281 (N.D. Tex. 1969) (employee has no implied right of action under Service Contract Act, 41 U.S.C. §§351-57); *Breitwieser v. KMS Industries, Inc.*, 467 F.2d 1391 (5th Cir. 1972), *cert. denied*, 410 U.S. 969 (1973) (no implied right of action to bring a wrongful death action based on violation of child labor provisions of Fair Labor Standards Act, 29 U.S.C. §212); *Flores v. George Braun Packing Co.*, 482 F.2d 279 (5th Cir. 1973) [(no implied private right of action against an employer for deprivation of a job based on the alleged employment of Mexican nationals illegally in the United States under the Immigration and Nationality Act, 8 U.S.C. §§1101(a)(15)(A)(ii), 1182(a)(14))]; *Hines v. Cenla Community Action Commission, Inc.*, 474 F.2d 1052 (5th Cir. 1973) (no implied private right of action for discharge under the Economic Opportunity Act, 42 U.S.C. §2796; *Martinez v. Behring's Bearings Service, Inc.*, 501 F.2d 104 (5th Cir. 1974) (no implied private right of action for wrongful death under Fair Labor Standards Act, 29 U.S.C. §216(a)(3)).

In addition, the Courts of Appeal for the Fourth and Sixth Circuits had held no private right of action exists under the Occupational Safety and Health Act. 29 U.S.C. §§651-78. *Byrd v. Fieldcrest Mills, Inc.*, 496 F.2d 1323 (4th Cir. 1974); *Russell v. Bartley*, 494 F.2d 334 (6th Cir. 1974). The Fifth Circuit adopted this view in 1975 in *Jeter v. St. Regis Paper Co.*, 507 F.2d 973 (5th Cir. 1975).

(D. Del. 1977); and *Hoopes v. Equifax, Inc.*, 22 FEP Cases 957 (S.D. Ohio 1977), *aff'd*, 611 F.2d 134 (6th Cir. 1979).[10] The only cases then reported in which a private cause of action had been held available, *Drennan v. Philadelphia General Hospital*, 428 F.Supp. 809 (E.D. Pa. 1977) and *Duran v. City of Tampa*, 430 F.Supp. 75 (M.D. Fla. 1977) mixed analysis of the Section 503 issue with the discussion of Section 504. The bases of those rulings are unclear. Especially in *Drennan* which stayed the case pending DOL action, it is uncertain whether the Court actually intended to provide an independent cause of action or to provide an avenue for review of agency action.

E. The Instant Case Is Different From Cases in Which Private Actions Have Been Judicially Inferred

Indeed, the Courts have permitted private complainants access to the federal courts under statutes through implied actions only in three types of cases: (1) where the suit's purpose is to force the administrative agency to take action required by the statute, *e.g., Scott v. Parham*, 69 FRD 324 (N.D. Ga. 1975); (2) where "[a]bsent an implied remedy . . . [the beneficiary would] have no protection under the statute since there was no other effective enforcement mechanism directed at the employers," *e.g., Gomez v. Florida State Employment Service*, 417 F.2d

---

10. More recent cases finding no private cause of action under Section 503 include *Anderson v. Erie Lackawanna Ry. Co.*, 468 F.Supp. 934, 939 (E.D. Ohio 1979), adopted by the Court of Appeals for the Sixth Circuit in *Hoopes v. Equifax, Inc.*, 611 F.2d 134 (6th Cir. 1979); *Coleman v. Noland Co.*, 21 FEP Cases 1248 (W.D. Va. 1980); *Doss v. General Motors Corp.*, 478 F.Supp. 139 (C.D. Ill. 1979); *Jessup v. Chicago & Eastern Illinois R.R.*, No. 78-C-519 (N.D. Ill. 1978); *Miglets v. Erie Lackawanna Ry. Co.*, 19 FEP Cases 379 (E.D. Ohio 1979); *Moon v. Santa Fe Ry. Co.*, 22 FEP Cases 1252 (D. Kan. 1980).

569 (5th Cir. 1969);[11] and (3) where a provision of a statute would have no application if it were not intended to imply that individuals may file private actions in federal court, *e.g., McDaniel v. University of Chicago,* 548 F.2d 689 (7th Cir. 1977).

F. Other Historical Factors and Legislative History Relied on by Petitioners Fail to Show Basis for Inferring Private Action

When a historical failure of efforts to amend Title VII to include handicapped as a protected category is considered in light of requests by spokesmen of organizations representing handicapped individuals discussed, *supra,* at pages 18-21), Congress' refusal to amend Title VII is clearly another significant factor weighing against a conclusion that Congress intended to permit a private cause of action under Section 503. It is, of course, recognized that a recent Senate Report authored by Senator Williams indicates his belief that a private cause of action is available under Title V and that amendment of Title VII would serve purposes other than creation of a private right of action. S. Rep. No. 96-316, 96th Cong., 1st Sess., 12-13 (1979). As the Court below recognized, however, the remark is distant in time from enactment of Section 503 and is the product of only one committee. It cannot be accepted "as an accurate expression of the earlier Congress' intent."

---

11. The decision of the Court in *Cannon v. University of Chicago,* 441 U.S. 667 (1979) is based on this rationale, as well as the peculiar legislative and judicial history of the statute in issue there. *See also, Davis v. Passman,* 442 U.S. 228 (1979) justified on this basis and *Chrysler Corp. v. Brown,* 441 U.S. 281 (1979) where no private action was held available in part because Chrysler could seek protection under the Administrative Procedure Act, 5 U.S.C. §701. That remedies are available to individual Section 503 complainants also distinguishes the instant case from *Bivens v. Six Unknown Named Agents of the Federal Bureau of Narcotics,* 403 U.S. 388 (1971) and *J. I. Case Co. v. Borak,* 377 U.S. 426 (1964).

Rogers, supra, 611 F.2d at 1082. Moreover, the Committee Report's reference to a federal court proceeding under Title V is ambiguous. It may refer only to a right of judicial review of agency action as the DOL has always assumed complainants have and as this Court has agreed they have in similar cases, *e.g., Kissinger v. Reporters' Committee for Freedom of the Press,* 48 USLW 4223 (1980). The Committee Report then may refer to private federal court proceedings of a private nature with respect to Sections 501 and 504 and to review of agency action with respect to Section 503.

Similarly, reference to the attorneys' fees provision added by the 1978 Amendments in Section 505(b), 29 U.S.C. §794a(b) is ambiguous. The provision does not specify that attorneys' fees are available in Court actions under Section 503. The provision states that:

> In any action or *proceeding to enforce* or charge a violation of a provision of this subchapter, the court, in its discretion, may allow the prevailing party other than the United States, a reasonable attorney's fees as part of the cost.

Section 505(b), 29 U.S.C. §794a(b) (Emphasis supplied). Again, the language may only contemplate fees in actions brought against the government to enforce the obligations of Section 503 or proceedings brought to review agency actions. Section 505 simply does not describe what type of Court action is available under Section 503.

In conclusion, no argument advanced by Petitioners is a proper legal basis from which to infer intent to create a private action. Section 503 and Title V's legislative history, historical context and the other factors outlined above support the conclusion that the explicit procedure described in Section 503(b) is the only procedure Congress intended.

III.

Under Traditional *Cort* Analysis the Absence of Congressional Intent to Imply a Private Cause of Action Is Clear

Under the analysis stated in *Cort v. Ash,* 422 U.S. 66 (1975), as clarified in *Touche Ross & Co. v. Redington,* 442 U.S. 560 (1979) and other recent decisions, it is clear "that mechanical adherence to any multiple part test is injurious . . . ." *Rogers, supra,* 611 F.2d at 1078. In finding a private cause of action under Section 503, the Court in *Chaplin v. Consolidated Edison Co. of New York, Inc.,* 482 F.Supp. 1165 (S.D. N.Y. 1980), relied on suggestions by the Department of Labor that allowing a private cause of action would not interfere with its enforcement efforts but would facilitate them by having a "sobering effect on the parties involved." This argument does not stand on thorough examination. To permit a private right of action would place contractors, who have complied with official OFCCP requirements, at risk of liability under varying interpretations of Section 503 as they develop throughout the Courts. Given a private cause of action, Section 503 OFCCP procedures would likely be used only as stepping stones to Court, if not bypassed altogether. Contractors would be leary of attempting resolution by conciliation since the complainants could at any time decide simply to initiate court proceedings. The Courts in *Rogers v. Frito-Lay, Inc.,* 433 F.Supp. 200 (N.D. Tex. 1977) and *Wood v. Diamond State Telephone Co.,* 440 F.Supp. 1003 (D. Del. 1977) both noted that the plaintiffs had apparently eschewed OFCCP conciliation efforts in the hope of obtaining more money through court proceedings.

The OFCCP's ability to oversee federal contractors, as Section 503 requires it to do, would unquestionably be impaired since it would not be involved in every case

and since standards would be developed judicially rather than administratively. With Section 503 enforcement mechanisms under the DOL which also administers the Occupational Safety and Health Act, the Agency now has an effective opportunity to reconcile the sometimes competing requirements of the two laws. 1976 Oversight Hearings, pt. 1 at 469. It would be an anomalous result to preclude the DOL from using its expertise to resolve questions where the competing policies of the laws must be reconciled. If a Court action were permitted under Section 503, binding precedents in this area would be set in private litigation where it is unlikely that the ramifications on OSHA policies will be considered by the litigants or the Courts. This result would certainly not be in accord with the administrative scheme envisioned by OSHA or Section 503(b). The Court has long refused to permit private rights of action which would be inconsistent with or inimicable to operation of a statutory administrative procedure, *e.g., McKart v. United States,* 395 U.S. 185, 195 (1969), and the Court should not permit private Court actions under Section 503.

The administrative enforcement scheme of Section 503 provides prompt resolution to both complainants and contractors, *supra,* at page 10. Implication of a private action would subject contractors to years' long procedures and delays now common in Federal Court civil litigation. That result would be contrary to the federal policy "to encourage relatively rapid disposition of labor disputes." *UAW v. Hoosier Cardinal Corp.,* 383 U.S. 696, 707 (1966).

Since Section 503(c) of the Act empowers the President to waive all Section 503 requirements in the interest of national security, implication of a private cause of action would place the Court in the position of possibly rendering decisions in conflict with Presidential action empowered by the statute.

The number and complexity of factors involved in determining coverage and obligations under Section 503 make enforcement particularly appropriate for expert agencies such as the OFCCP and particularly inappropriate for private party litigation in the Federal Courts. As the plurality of the Court stated in *Frontiero v. Richardson*, 411 U.S. 677, 686 (1973): "what differentiates sex from such non-suspect classes as intelligence or physical disability . . . is that the sex characteristic frequently bears no relationship to the ability to perform or to contribute to society." Petitioners rely heavily on the assumption that they are both members of a class for whose *especial* benefit Section 503 was enacted. Making the decisions as to whether a particular individual is in fact qualified for employment—what reasonable accommodation can be required considering business needs, cost and other factors—clearly present myriad and complex questions which are more suitable for resolution in an administrative agency forum. There the give and take of conciliation and the agency expertise can be applied as it cannot be effectively used in the adversarial forum of the Federal Courts.

Finally, while the Courts have generally assumed that regulation of the employment of the handicapped is not a traditional area of state concern, this analysis begs the more fundamental point. Regulation of the private employment relationship has traditionally been an area of state, not federal, concern. Where Congress has seen fit to preempt state law or to provide protections not available under state law, it has legislated its intent with respect to rights, remedies and procedures with such specificity as to leave no doubt whether the individual is limited to agency action or may resort to the Courts. *See* pages 24-26, *supra*.

CONCLUSION

For all of these reasons Roadway respectfully urges that the decision of the Court of Appeals is correct. It is in accord with applicable precedent and review by this Court is not required.

Respectfully submitted,

CHARLES KELSO
ANN MARGARET POINTER
Counsel for Respondent Roadway Express, Inc.

FISHER & PHILLIPS
3500 First National Bank Tower
Atlanta, Georgia 30383

APPENDIX

Applicable Provisions of Title V of the Rehabilitation Act of 1973, As Amended

Section 501, 29 U.S.C. §791:

Employment of handicapped individuals

Interagency Committee on Handicapped Employees; establishment; membership; co-chairmen; availability of other Committee resources; purpose and functions

(a) There is established within the Federal Government an Interagency Committee on Handicapped Employees (hereinafter in this section referred to as the "Committee"), comprised of such members as the President may select, including the following (or their designees whose positions are Executive Level IV or higher): the Chairman of the Civil Service Commission, the Administrator of Veterans' Affairs, and the Secretaries of Labor and Health, Education, and Welfare. The Secretary of Health, Education, and Welfare and the Chairman of the Civil Service Commission shall serve as co-chairman of the Committee. The resources of the President's Committees on Employment of the Handicapped and on Mental Retardation shall be made fully available to the Committee. It shall be the purpose and function of the Committee (1) to provide a focus for Federal and other employment of handicapped individuals, and to review, on a periodic basis, in cooperation with the Civil Service Commission, the adequacy of hiring, placement, and advancement practices with respect to handicapped individuals, by each department, agency, and instrumentality in the executive branch of Government, and to insure that the special needs of such individuals are being met; and (2) to consult

PREVIOUS PAGE WAS BLANK

with the Civil Service Commission to assist the Commission to carry out its responsibilities under subsections (b), (c), and (d) of this section. On the basis of such review and consultation, the Committee shall periodically make to the Civil Service Commission such recommendations for legislative and administrative changes as it deems necessary or desirable. The Civil Service Commission shall timely transmit to the appropriate committees of Congress any such recommendations.

Federal agencies; affirmative action program plans

(b) Each department, agency, and instrumentality (including the United States Postal Service and the Postal Rate Commission) in the executive branch shall, within one hundred and eighty days after September 26, 1973, submit to the Civil Service Commission and to the Committee an affirmative action program plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality. Such plan shall include a description of the extent to which and methods whereby the special needs of handicapped employees are being met. Such plan shall be updated annually, and shall be reviewed annually and approved by the Commission, if the Commission determines, after consultation with the Committee, that such plan provides sufficient assurances, procedures and commitments to provide adequate hiring, placement, and advancement opportunities for handicapped individuals.

State agencies; rehabilitated individuals, employment

(c) The Civil Service Commission, after consultation with the Committee, shall develop and recommend to the Secretary for referral to the appropriate State agencies, policies and procedures which will facilitate the hiring, placement, and advancement in employment of individuals

who have received rehabilitation services under State vocational rehabilitation programs, veterans' programs, or any other program for handicapped individuals, including the promotion of job opportunities for such individuals. The Secretary shall encourage such State agencies to adopt and implement such policies and procedures.

Report to Congressional committees

(d) The Civil Service Commission, after consultation with the Committee, shall, on June 30, 1974, and at the end of each subsequent fiscal year, make a complete report to the appropriate committees of the Congress with respect to the practices of and achievements in hiring, placement, and advancement of handicapped individuals by each department, agency, and instrumentality and the effectiveness of the affirmative action programs required by subsection (b) of this section, together with recommendations as to legislation which have been submitted to the Civil Service Commission under subsection (a) of this section, or other appropriate action to insure the adequacy of such practices. Such report shall also include an evaluation by the Committee of the effectiveness of the Civil Service Commission's activities under subsections (b) and (c) of this section.

Federal work experience without pay; non-Federal status

(e) An individual who, as a part of his individualized written rehabilitation program under a State plan approved under this chapter, participates in a program of unpaid work experience in a Federal agency, shall not, by reason thereof, be considered to be a Federal employee or to be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation and Federal employee benefits.

Federal agency cooperation; special consideration for positions on President's Committee on Employment of Handicapped

(f)(1) The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized and directed to cooperate with the President's Committee on Employment of the Handicapped in carrying out its functions.

(2) In selecting personnel to fill all positions on the President's Committee on Employment of the Handicapped, special consideration shall be given to qualified handicapped individuals.

Pub.L. 93-112, Title V, § 501, Sept. 26, 1973, 87 Stat. 390.

Section 503, 29 U.S.C. §793:

Employment under Federal contracts

Amount of contracts or subcontracts; provision for employment and advancement of qualified handicapped individuals; regulations

(a) Any contract in excess of $2,500 entered into by any Federal department or agency for the procurement of personal property and nonpersonal services (including construction) for the United States shall contain a provision requiring that, in employing persons to carry out such contract the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals as defined in section 706(6) of this title. The provisions of this section shall apply to any subcontract in excess of $2,500 entered into by a prime contractor in carrying out any contract for the procurement of personal property and

nonpersonal services (including construction) for the United States. The President shall implement the provisions of this section by promulgating regulations within ninety days after September 26, 1973.

Administrative enforcement; complaints; investigations; departmental action

(b) If any handicapped individual believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to employment of handicapped individuals, such individual may file a complaint with the Department of Labor. The Department shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant, consistent with the terms of such contract and the laws and regulations applicable thereto.

Waiver by President: national interest special circumstances for waiver of particular agreements

(c) The requirements of this section may be waived, in whole or in part, by the President with respect to a particular contract or subcontract, in accordance with guidelines set forth in regulations which he shall prescribe, when he determines that special circumstances in the national interest so require and states in writing his reasons for such determination.

Pub.L. 93-112, Title V, § 503, Sept. 26, 1973, 87 Stat. 393.

Section 504, 29 U.S.C. §794:

Nondiscrimination under Federal grants

No otherwise qualified handicapped individual in the United States, as defined in section 706(6) of this title,

shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Pub.L. 93-112, Title V, § 504, Sept. 26, 1973, 87 Stat. 394.

Section 505, 29 U.S.C. §794a:

Remedies and attorney fees

(a)(1) The remedies, procedures, and rights set forth in section 717 of the Civil Rights Act of 1964, including the application of sections 706(f) through 706(k), shall be available, with respect to any complaint under section 791 of this title, to any employee or applicant for employment aggrieved by the final disposition of such complaint, or by the failure to take final action on such complaint. In fashioning an equitable or affirmative action remedy under such section, a court may take into account the reasonableness of the cost of any necessary work place accommodation, and the availability of alternatives therefor or other appropriate relief in order to achieve an equitable and appropriate remedy.

(2) The remedies, procedures, and rights set forth in title VI of the Civil Rights Act of 1964 shall be available to any person aggrieved by any act or failure to act by any recipient of Federal assistance or Federal provider of such assistance under section 794 of this title.

(b) In any action or proceeding to enforce or charge a violation of a provision of this subchapter, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs.

Pub.L. 93-112, Title V, § 505, as added Pub.L. 95-602, Title I, 120, Nov. 6, 1978, 92 Stat. 2982.

see 79
1810